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THE FEASIBILITY OF REDEVELOPMENT
IN THE
SOUTH OF MARKET AREA



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San Francisco Redevelopment Agency
512 Golden Gate Avenue
San Francisco 2, California

June 1, 1952

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San Francisco
Redevelopment Agency.
The feasibility of
redevelopment in the
1952.

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REDEVELOPMENT AGENCY
512 Golden Gate Avenue
San Francisco 2

June 1, 1952

MEMORANDUM

TO: James E. Lash and Harry Sanders
FROM: Roy S. Cameron
SUBJECT: The Feasibility of Redevelopment in the South of Market Area

Objectives of study

The South of Market area for many years has been recognized as an area of blight producing a depressing, unhealthful and unsafe living environment, retarding industrial development, and acting as a drain upon the city treasury. This study of 86 blocks is concerned with the problems of blight and with ways and means of improving the area through use of the redevelopment process.

Development of blight

Recent surveys of environmental conditions in San Francisco have indicated that the South of Market Area ranks among the most severely blighted sections of the city, along with Chinatown and the Western Addition, and that it qualified as a blighted area as defined by the California Community Redevelopment Law.

The indiscriminate mixture of residential and incompatible commercial and industrial uses is the primary cause of blight in the area. Other characteristic deficiencies are overcrowding of the land (an average land coverage of approximately 90 per cent);

inadequate provision for light, ventilation, sanitation, open spaces and recreation facilities; and deterioration and dilapidation of structures. The lack of proper land utilization is caused in large measure by subdivision of land into inadequately small parcels held in scattered and divided ownership, and by an archaic pattern of interior alleys and narrow streets. The condition of environmental deterioration is further aggravated by the inadequacy of community educational and recreation facilities.

Not only is the South of Market area unsafe and unhealthful as a living environment, but the conditions of blight are such as to be highly conducive to social disintegration, juvenile delinquency and crime.

Necessity for redevelopment

The city's economic and social vitality is being sapped by the effects of blight in the South of Market area. Tax returns would more than double if the condition of blight were removed and the land properly utilized. The city already is carrying an excessive financial burden in this area as taxes on blighted properties are not meeting the costs of providing such facilities as schools and fire and police protection, which are required by the resident population. The present wasteful use of potentially valuable land must be stopped if the South of Market area is to become a well functioning part of the city's environment.

Improvement of the area by private initiative alone has proved abortive. The block pattern of many small lots (as many as 90 to 150 per block) of diverse and scattered ownership has made the

accumulation of properties to form suitable parcels difficult and costly.

The area is best suited for light industry, as indicated by study of past trends of development, and the recommendations of the land use plan for San Francisco, prepared by the Department of City Planning. A survey of recent market activities, backed by informed industrial real estate opinion, emphasizes the strong demand for good industrial sites in the area.

As provided for in the California Community Redevelopment Law, the local Redevelopment Agency can, with the use of federal or local funds, acquire and clear blighted land, reparcel and resell it to private developers for rebuilding according to desirable standards of development. By this means the South of Market area can be cleansed of blight and land prepared for its proper function -- industrial development.

Redevelopment of the South of Market area for industrial purposes can serve as an integral part of the entire redevelopment program for San Francisco, which includes the redevelopment of an old deteriorated slum area (Western Addition) and of two large hilly areas of arrested development (Diamond Heights and John McLaren Park).

Financing of redevelopment

Redevelopment in the South of Market area can be financed with either federal or local funds or with both. Project areas which are predominantly residential in character at present may employ federal loan funds to cover gross costs (costs of acquisition, clearing and preparation of land); those which are not

predominantly residential can use funds obtained from local agency bond issues. Net project costs (the difference between gross costs and revenues obtained from the sale of land) cannot be met by employing federal grant funds at this time as current grant funds have been reserved for the Western Addition project; a local grant, therefore, is required.

Financing of redevelopment in the South of Market area is conditioned by the high net costs involved. Estimates of gross cost and resale revenues indicate a resulting net project cost of from \$200,000 to \$350,000 per block. It is altogether possible, however, that a purchaser can be obtained who is willing and able to pay a premium price for a particular site, thus covering the entire net project cost or greatly reducing it.

Recommendations for further action

1. On the basis of certain criteria--degree of blight, marketability for industry, size and character of site, estimated gross and net project costs, subsidence, and others -- it is possible to recommend nine blocks as most suitable for redevelopment (See Plate 10). These blocks are so located as to form four different redevelopment areas.

2. The designation of these (and of other possible areas not specifically investigated in this study) and the preparation of preliminary and tentative plans for their redevelopment are the next steps to be taken. The final stages should await the propitious moment when the most advantageous financial arrangements can be made.

3. Additional studies should be undertaken to investigate further possible methods of financing, including the use of lease procedures. It is possible that, by using long-term lease arrangements including the option of eventual purchase, a satisfactory solution to the problem of meeting high net project costs may be obtained.

4. Close cooperation with industrial realtors and developers and with Chamber of Commerce representatives must be maintained in order to assist the Agency in assuring the financial success of future projects. Public support of redevelopment in the South of Market area as an integral part of the overall redevelopment program should be engendered in order to secure city financial participation.

5. As a means of ameliorating unhealthful and dangerous living conditions, a program of enforcement of health and safety regulations by the Department of Public Health should be undertaken prior to and coincident with implementation of the redevelopment program.

THE SOUTH OF MARKET AREA IN SAN FRANCISCO

A. Location and Topography

The general area between Market Street and the Southern Pacific railroad yards is known as "South of Market." The South of Market redevelopment study area, shown in Plate 1, is bounded by First, Mission, Seventh, Market, Valencia, Fifteenth, Alameda, Division and Townsend Streets. Encompassing a gross area of about 865 acres and including 86 major blocks within it, the study area represents one of San Francisco's oldest districts.

Before the era of development a great part of what is now known as South of Market was either swampland or bay. There was one large outcropping of bedrock -- Rincon Hill -- while sandhills along Market Street sprouted lupine and yerba buena. Shaped like a half moon, Yerba Buena cove extended between Clark's Point at the base of Telegraph Hill and Rincon Point, now the general locality of Harrison and Spear Streets. Waters of the cove extended as far as First Street between Market and Mission Streets. Beyond Rincon Point was Mission Bay, an irregular indentation occupying the area now roughly bounded by Fourth, Brannan, Townsend, Eighth, and Sixteenth Streets.

Mission Creek, following the line of Division Street, emptied into Mission Bay at Eighth Street, while another creek from Hayes Valley entered the bay at Fourth and Brannan Streets, after meandering through extensive marshlands. Mission swamp, extending



Plate 1

SAN FRANCISCO, showing boundaries of the South of Market
Study Area

from Seventh and Mission Streets eastward to the bay, was 1000 feet wide, and a second narrower swamp ran parallel and south of it.

The original topography of the South of Market area has been greatly altered. The creeks have disappeared, the sand hills have been leveled, tidelands, swamps, and Mission Bay have been filled, and Rincon Hill has been decapitated and cut into considerably.

Subsidence is a particular problem in the area because of the filling of the old swamp areas. The area is subject to a greater degree of settling and to more severe earthquake shock than land closer to bedrock.

B. History

The basic street pattern of the South of Market area was established in 1847 by the survey of Jasper O'Farrell, the creator of Market Street, itself. At that time land to the south of Market street was not considered especially valuable so blocks and individual lots were made four times the size of those north of Market Street. The rapid development of the city following the discovery of gold, however, led to the introduction of lesser streets into the interiors of the large blocks, and the division of the "100 vara" (275 feet) lots into much smaller parcels. In 1849 two thousand tents were pitched in Happy Valley between First, Third, Mission, and Folsom Streets, an area sheltered by sandhills. Almost simultaneously, the South of Market area became a home of squatters, a place for fashionable homes, an industrial area, and a

workingman's living area.

The city's first fashionable district was centered about Rincon Hill and South Park, but with the intrusion of industry and the cutting through of Second Street in 1869 these soon gave up their position of preeminence to Nob Hill and Van Ness Avenue.

Peter Donohue's Union Iron and Brass Foundry, the ancestor of Bethlehem Steel's West Coast plant, started as a blacksmith shop at First and Mission Streets in 1849, and was followed by a number of other foundaries in the '50's which built steam engines, mine machinery and ships. Other early industries were breweries, flour and rice mills, sawmills, coffee and spice mills, vinegar factories, tanneries, and sugar refineries.

Plank roads over the swamp were privately built on Mission and Folsom Streets in the early '50's and profitably operated as toll roads. These served as means of communication between the main settlement at Yerba Buena cove and the smaller settlement about the old mission. Here, too, was a popular recreation area, offering bull fighting, bear baiting, and horse racing. Woodward's Gardens, an amusement park at Thirteenth and Mission Streets, was a popular institution from the '60's to the '90's.

The demands for more land to meet the needs of the expanding community were met by the filling of both the swamps and Mission Bay. The latter was filled following an act of the legislature in 1868, the newly created lots being sold to railroads, manufacturers and shipbuilding concerns. In the '70's the Southern Pacific Railroad absorbed the pioneering San Francisco and San Jose Railroad

and located its yard on the newly filled land and its depot at Fourth (later Third) and Townsend Streets.

Public transportation contributed to both the early development and the subsequent decline of the South of Market area as a residential area. Omnibuses crossed the town from North Beach to South Park in the '50's, to be replaced by horse cars, and then by cable cars in the '70's. The nostalgic term "South of the Slot", meaning South of Market, was derived following the conversion of the Market Street line from horse to cable operation.

By 1895 the South of Market area was a network of transit lines, with virtually every principal street containing rails. Many routes have since been abandoned, however, while the street car has completely given way to the motor and trolley coach.

Until destroyed by fire of 1906 the South of Market area was the city's principal working class residential district. As early as the '60's it was a teeming and congested area. Residences, neighborhood stores, and industries existed side by side, a pattern which has continued to the present, largely unaffected even by the "Great Conflagration" which burned over the entire area. Although most of the former residents moved into the Mission and Potrero districts after the event, new residential buildings were constructed and commercial and industrial concerns found their way back to resurrect the traditional pattern of development.

C. Population Characteristics

The South of Market study area has an estimated population of 22,000 persons. According to studies of the Department of City Planning approximately 92,000 persons are employed in an area

but slightly larger than the study area.

A complete investigation of population characteristics in the area must await receipt of more detailed census material. Information from 1950 census tract bulletins will reveal age group composition, marital status, family size, type of employment and income characteristics. All of this information will be vital to a true understanding of environmental conditions in the South of Market area.

Preliminary census data show that about 69 per cent of the population in the South of Market area is male, as contrasted to 50 per cent for the city as a whole. This difference is due to the large number of single men and transients inhabiting hotels and rooming houses in the area.

In the study area about 15 per cent of the population is non-white, slightly higher than the city-wide average of 10.5 per cent, but the distribution of non-whites is quite uneven within the area, as is shown in the following table, which shows racial distribution by occupancy of dwelling unit.

Table I

Non-White Occupancy of Dwelling Units,
Nine Blocks, South of Market Area, 1950*

<u>Block</u>	<u>Location</u>	<u>Total Occ.</u>	<u>Non-White D.U.'s</u>	
		<u>D.U.'s</u>	<u>No.</u>	<u>%</u>
3549	14th, Folsom, 15th, So. Van Ness	138	13	9.4
3726	6th, Howard, 7th, Mission	437	42	9.5
3727	7th, Howard, 8th, Mission	194	39	20.0
3730	7th, Folsom, 8th, Howard	160	21	13.1
3731	6th, Folsom, 7th, Howard	422	48	11.4
3751	3rd, Harrison, 4th, Folsom	170	95	55.8
3753	5th, Harrison, 6th, Folsom	246	56	22.8
3755	7th, Harrison, 8th, Folsom	152	76	51.3
3779	6th, Brannan, 7th, Bryant	<u>89</u>	<u>2</u>	<u>2.2</u>
Total Nine Blocks		2009	394	19.6
San Francisco		257,734	21,583	8.4

* Characteristics of Housing, San Francisco, Census of 1950.
Excluded from dwelling unit count are large rooming houses and transient hotels, a large number of which are found in this area.

Within this area the great majority of non-whites are Negroes, while a substantial portion of the white population is Spanish speaking.

As would be expected in a blighted area such as this only a very small proportion, 8.0 per cent, of the dwelling units are owner-occupied, compared with 35.5 per cent for the city as a whole.

Rents paid for housing are among the lowest in the city. Within the same nine blocks listed in Table I the average monthly rent is \$26.30, with a range from \$18.00 to \$41.00. The city average is \$44.50 per month.

D. General Physical Characteristics

1. Street pattern

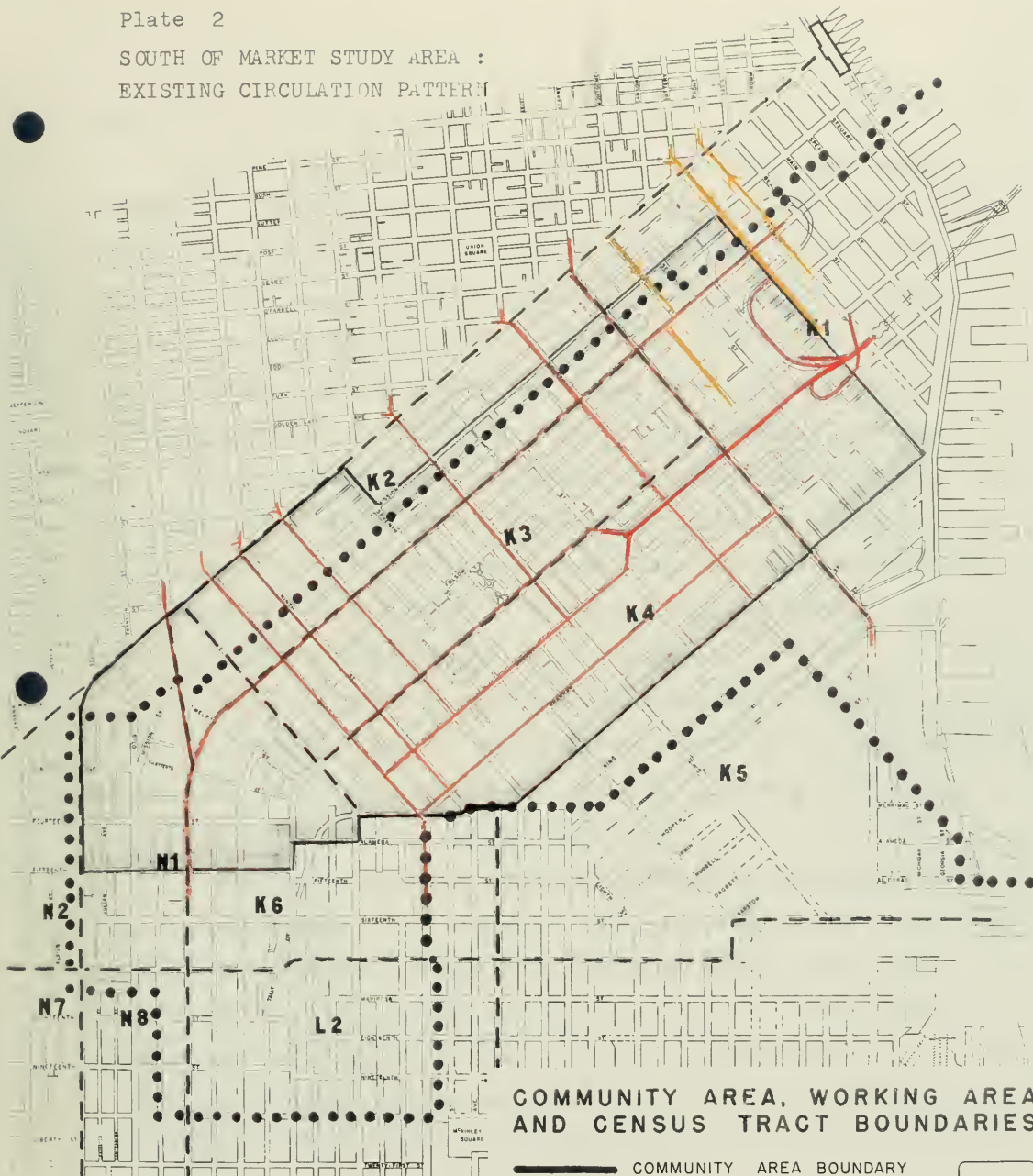
Streets mentioned in this study as "east-west" refer to those which parallel Market Street, while "north-south" streets refer to those which are at right angles to Market Street. The street pattern is shown in Plate 2.

Principal streets within the South of Market area are, with few exceptions, 82½ feet wide, a width sufficient for four traffic and two parking lanes. These streets have successfully adapted themselves as traffic carriers. Their misuse as areas of truck loading and double parking has been the chief cause of traffic problems created within the area. The foresight of O'Farrell in creating wide thoroughfares (including Market Street) is especially to be commended in view of the general feeling of the time which was highly antagonistic to wide streets which "wasted" land in an unproductive manner.

The "swing" about the former arm of Mission Bay, established by Eddy's survey of 1851, occurs between Eleventh and Fourteenth Streets, the latter assuming the more nearly east-west direction of the streets north of Market Street. The curving of the east-west streets in a southerly direction has served to effectively link the South of Market area with the Mission district

SOUTH OF MARKET STUDY AREA :

EXISTING CIRCULATION PATTERN



COMMUNITY AREA, WORKING AREA
AND CENSUS TRACT BOUNDARIES

- S. F.-Oakland Bay Bridge
- Major Traffic Streets
- One-way Streets
- COMMUNITY AREA BOUNDARY
- CENSUS TRACT BOUNDARIES
- COINCIDENT COMMUNITY AREA & CENSUS TRACT BOUNDARIES
- WORKING AREA BOUNDARIES
- COINCIDENT WORKING AREA & CENSUS TRACT BOUNDARIES
- CENSUS TRACT NUMBER

A1

WORKING
AREA



and other areas to the south.

As illustrated in the plate, the principal north-south streets all terminate at Market Street, O'Farrell having made no conscious effort to connect streets on either side of that thoroughfare. The barrier so formed has long caused one of San Francisco's principal traffic headaches. To the south another barrier has been imposed which, together with Market Street, has served to impede the flow of traffic into and out of the South of Market area. The Bay, the Channel, the Southern Pacific passenger depot and yards, and Division Street all serve to constrict movement to the southwest. Third and Tenth Streets alone effectively surmount these barriers, the former by a drawbridge over the Channel, the latter by its connection with Potrero Avenue.

In comparison, the major east-west streets originate at the Embarcadero, parallel Market Street, curve to the south and extend into the Mission and Potrero districts, encountering little obstruction to traffic by imposed barriers.

The San Francisco-Oakland Bay Bridge, the sole traffic link between San Francisco and the cities of the East Bay, terminates, through its on and off ramps, in the South of Market area. The great traffic loads generated by this structure add to the surface circulation burden of its streets. First and Fremont Streets serve the easternmost ramps, while Bryant, Harrison, and the numbered streets west of Fifth Street carry traffic to and from the main ramp.

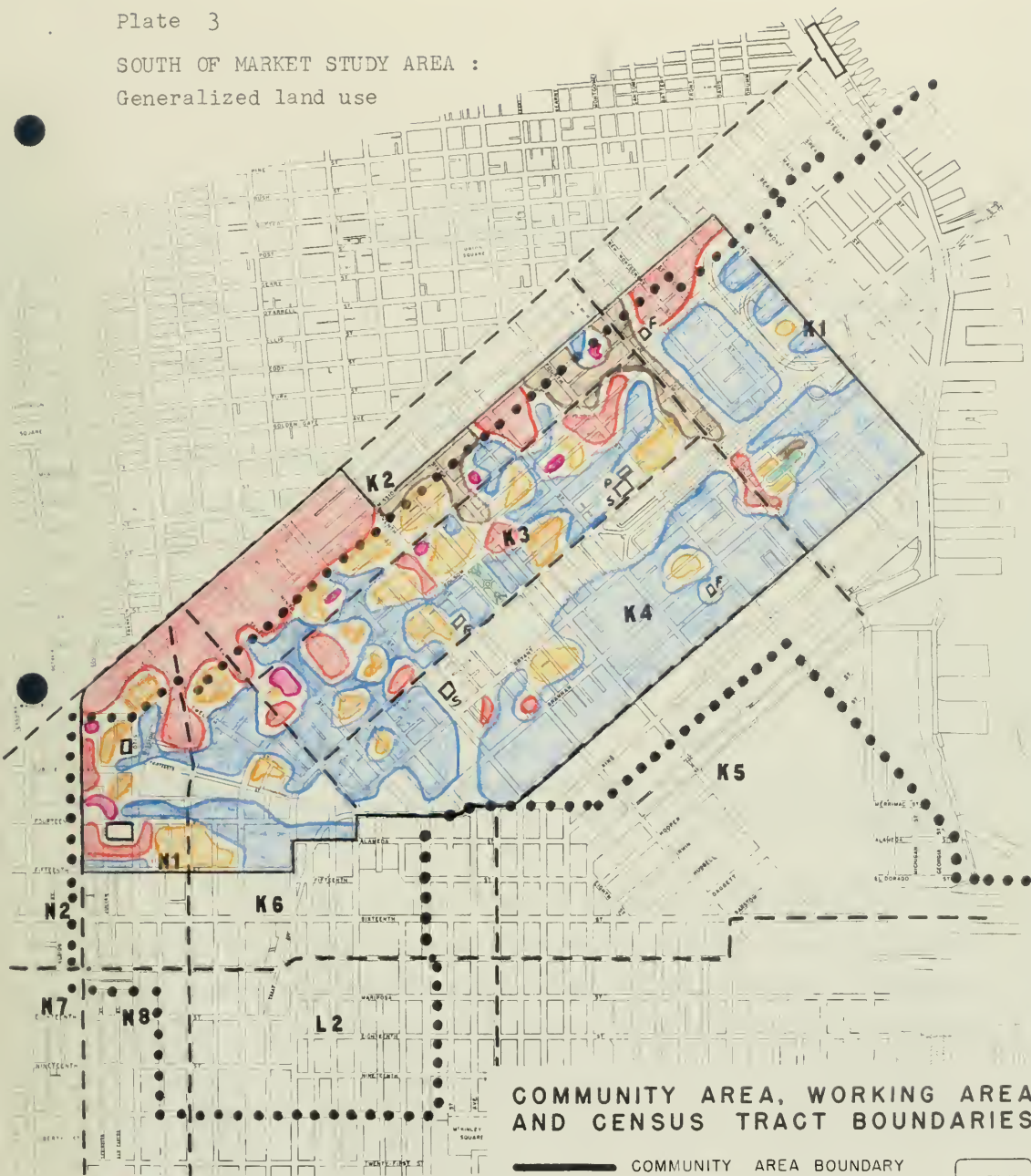
The major circulation pattern will be considerably modified by future freeway construction in this area, as described later.

The arrangement of major streets in the South of Market area has produced a fairly efficient framework for local and through traffic. The wide streets and large blocks have largely prevented the emergence of serious chronic traffic congestion characteristic of the narrower streets north of Market Street. Traffic problems, however, are to be found, principally in the interior streets and alleys of the large blocks. The disconnected system of minor streets was developed because of the need for gaining access into the large blocks (10.5 acres). These inner streets are generally less than 40 feet wide, and many dead-end within the block, having but one point of access and egress. Developed at a time when the area served largely as a workingman's residential district, these inner streets proved quite adequate. Their narrowness excluded large amounts of traffic, while the small size of the cottages fronting on either side of the street did not interfere with the introduction of sunlight and air. Today, however, the interior street pattern is a serious blighting influence, and has been an important element in restricting industrial development.

2. Land Use

The South of Market area is characterized by a greater mixture of land uses than probably any other large section of San Francisco. The trend has been toward an increase in industrial uses and a decrease in residential uses. A generalized picture of the mixture of land uses is indicated by Plate 3, and a more specific illustration is given by Table II, which follows:

SOUTH OF MARKET STUDY AREA :
Generalized land use



COMMUNITY AREA, WORKING AREA
AND CENSUS TRACT BOUNDARIES

- COMMUNITY AREA BOUNDARY
- CENSUS TRACT BOUNDARIES
- COINCIDENT COMMUNITY AREA & CENSUS TRACT BOUNDARIES
- WORKING AREA BOUNDARIES
- COINCIDENT WORKING AREA & CENSUS TRACT BOUNDARIES
- A1 CENSUS TRACT NUMBER



- Low & medium Residential
- High density Residential
- Commer'l
- Ind'l
- Recreation
- Public: S, school; F, fire; P, police stn.

Table II
Existing Land Use,
South of Market Study Area, 1948*

<u>Type of Use</u>	<u>Net Area (acres)</u>	<u>% of Total</u>
Residential	51.55	8.6
Commercial	153.95	25.6
Industrial	290.41	48.5
Utility & Railroads	36.10	6.0
Institutional	6.95	1.2
Recreational	11.10	1.8
Public (Other than Recreational)	21.40	3.6
Open Vacant	28.55	4.7
TOTAL NET AREA	600.01	100.0

***Note:** Data obtained from land use survey, 1948, S. F. City Planning Department. Ground floor uses, only, are enumerated.

It is evident from the table that industrial and commercial uses predominate in the area as a whole. The plate, however, shows that residential uses are found in pockets throughout the entire area. In addition, Table II does not give a true measure of the extent of residential use, as only ground floor uses are counted in this tabulation. A considerable number of residential structures, especially hotels and rooming houses, possess ground floor commercial or industrial uses.

Residential

Examination of residential use has been especially

important in this study. There are two principal types of residential use in the South of Market area: 1) Rooming houses and hotels, primarily for single men, concentrated along Third, Fourth, Sixth, Mission, and Howard Streets (see Plate 3); and 2) Single-family residences, two and three story flats, and small apartment houses, for family living. The latter type of residential use is located on the narrow interior streets intermixed with industrial and commercial uses. Those areas which have large concentrations of such dwellings are indicated in Plate 3.

The distribution of dwellings by type is indicated by Table III, which follows. Because the tabulation is by ground floor use only, the actual area devoted to rooming houses and hotels whose ground floor use is often commercial is somewhat larger than indicated by the table.

Table III

Existing Residential Land Use,
South of Market Study Area, 1948*

<u>Type of Residential Use</u>	<u>Net Area (acres)</u>	<u>% of Total</u>
Single Family Detached	2.50	4.8
Single Family Row House	5.75	11.2
Two Family Dwelling	12.57	24.4
Three & Four Family Dwellings	14.30	27.7
Five to Nine Family Dwellings	7.33	14.2
Ten Family Dwellings, and over	3.28	6.4
Rooming Houses & Hotels	<u>5.82</u>	<u>11.3</u>
TOTAL RESIDENTIAL	51.55	100.0

*Note: Data obtained from land use survey, 1948, S.F. City Planning Department. Ground floor uses, only, are enumerated.

The table clearly indicates the variety of residential uses characteristic of the area. The predominant structure is the two or three story flat, designed to house from two to four families. A significant number of both single family houses and larger multi-family structures is also to be found. In addition to the fact that the actual area devoted to rooming houses and hotels is larger than that indicated by the land use survey it is also probable that, because of conversions and additions to flats and houses, many more families are living in these buildings than originally intended. The exact magnitude of this will become apparent upon analysis of 1950 population and Housing Census block data.

Commercial

In general commercial enterprises (retailers, wholesalers, jobbers, distributors, etc.) are mainly located along the northern border of the area, fronting on the major streets (Market, Mission, and the numbered streets). In addition, small retail businesses are scattered throughout the area, catering to both residents of the area and employees of industrial plants. Thus, meat markets, grocery stores, barber shops, small hand laundries, drug stores, lunch rooms, and bars are found scattered about, or concentrated along streets such as Third and Sixth.

Industrial

Industrial enterprises are found everywhere in the area but are especially concentrated along the eastern and southern borders. Light industrial uses such as warehouses, machine shops,

auto repair shops, sheet metal and welding shops, printing and publishing establishments, clothing manufacturers, commercial laundries, furniture factories, breweries, and bottling plants are found in the area together with foundaries, machinery manufacturing plants, manufacturers of all types of food products, contractor's storage yards, lumber yards, and junk yards. The industrial complexion of the area is a heterogeneous one but would appear to center on those industrial activities which serve the retail and wholesale center of the city, or are heavily dependent upon the local market.

Utility and Railroads

Intimately associated with the industrial and commercial areas are the services of distribution. Railroad spur trackage forms a network in the southern portion of the area, associated with the Southern Pacific yards along Townsend Street, and with the Western Pacific yards at Ninth and Brannan Streets. Certain elongations of this network extend on public streets as far north as Folsom Street on Second Street, and South Van Ness Avenue on Twelfth Street. Closely associated with the railroad facilities are the trucking terminals, concentrated primarily on Brannan Street.

Public Uses (including Recreation)

The large amount of public use indicated by Table II is due to the inclusion of those areas owned by the State for the Bay Bridge right-of-way. The large recent purchases of the State for the Bayshore Freeway right-of-way are not included in the tabulation.

Other than the two small elementary schools, two small parks, three fire stations and one police station, Lincoln school, on Harrison near Fourth Street, with classes from the kindergarten through fourth grade, is located on a very small site. Franklin school, on Eighth Street between Harrison and Bryant Streets, is on a site made most inappropriate by construction of the freeway system.

The two small parks in the South of Market area are relics of early day optimism regarding residential development. South Park, patterned after London's Berkeley Square, dates from the '50's, and although ill-maintained today still presents a pleasant aspect in an otherwise dreary picture. Columbia Square, a gift to the city by Charles Christian Russ has sadly deteriorated into a large refuse-collecting lot, surrounded by a variety of industrial concerns. The city's ^{largest} ~~recreational~~ facility in the area was, until its closing in March, 1952, Father Crowley playground. A well equipped field for active sports participation it was abandoned because of its location in the path of the Bayshore Freeway.

Institutions

Institutional uses are few in this area, consisting primarily of churches, parochial schools, and charitable institutions.

Vacant Use

Vacant lots are found scattered throughout the area, but the amount of vacant land shown in Table II has probably been considerably reduced since 1948, the date of the land use survey. Observation in the field has indicated that much of the vacant land

shown in 1948 has since either been built upon or, more likely, has been taken over for some sort of non-structural use -- storage yards or parking lots.

E. Undesirability as a Living Area

The South of Market area, as a place to live, is thoroughly lacking in some of the essentials necessary for the creation of a healthful and safe living environment. A street pattern which worked well in the days before the fire of 1906 when life "south of the slot" was a pleasant one has proved increasingly defective with the intrusion of industry and its accompanying heavy transport into the narrow interior streets and alleys. Plates 4 and 5 illustrate some of those factors which today make the South of Market area an undesirable place for family living.

1. Mixture of Land Uses

The South of Market area has always included both industries and dwellings, the former increasing in number as the area became older until at present industrial uses predominate in the area as a whole. The growth of the central business district directly adjacent to the South of Market area created a demand for industrial and commercial development of a nature closely related to that center. There has been virtually no residential construction in the area since prior to the first world war, as indicated by Table V.

The intermixing of residential and industrial structures, especially in block interiors, has created an environment detri-

mental to both the families living in the area and to the operators and employees of the industrial concerns. As no control was imposed on the introduction of incompatible uses the area could not escape the effects of such a blighting influence.

The typical interior street of from 20 to 40 feet in width contains a large number of old frame residential buildings, generally two or three story flats, in groups of at least two structures each. Located between these groups of dwellings are small machine or sheet metal shops, some ramshackle, others well constructed; yards filled with machinery or other material, either fenced or open; or, in some cases, a well maintained industrial plant or warehouse which fronts on a major street but which receives shipments at its rear loading platform on the narrow street. The typical minor street is generally lined on both sides by such structures, few of which are set back from the property line. In other instances, however, residences predominate on one side of the street with the rear entrances of large factories and warehouses on the other side.

The especially undesirable effects of this pattern upon a living environment are these:

1) The introduction of excessive noise and other objectionable characteristics of industry. The types of industry which have established themselves in this area include some which are particularly ill-suited to close contact with residences. Foundries, machine shops, metal fabricating plants, auto wrecking yards are examples of industrial uses which produce excessive noise. Facto-

3) The introduction of heavy trucking and auto traffic into narrow streets. The interior block street pattern is completely inadequate for both the movement of traffic and for on-street parking and loading activities. The original design of narrow streets lined by small one-story houses was a most agreeable one prior to the advent of the automobile. Following the fire of 1906, however, changes in the nature of the environment occurred which made these streets hopelessly inadequate. The residential structures became larger, increasing the overall population density and the use of the streets; the introduction of industries brought in more traffic, especially trucks; the everincreasing use of the automobile required the imposition of restrictions on the use of street areas. Parking has been either completely banned or restricted to one side of the street. Where possible, traffic flow has been limited to a single direction, although this has been impossible in those streets which dead-end. Plate 4 shows how the interior streets are both ill-designed and ill-used, for the restrictions have failed to materially improve the situation due to the continued use of the streets for loading and unloading operations, and the violation of parking regulations.

4) The creation of safety hazards. The lack of sufficient community recreational facilities in the area, together with the absence of play areas on individual lots has led to the use of streets and open lots as play space by children. With increased vehicular use of the streets, especially by heavy trucks, their continued employment as places of play has become particular-

ly dangerous. Unfenced storage yards are especially attractive to young children, but are dangerous because of the heavy type of material kept there, and the haphazard manner in which it is stored. Other favorite play areas are the rubbish littered vacant lots which are hazardous from a safety and a health standpoint.

The factors described in general terms above apply to all parts of the South of Market area where family-type residences are found. They are particularly applicable to block interiors, but dwellings fronting on major streets have the added handicap of heavy traffic and a greater degree of isolation from other residential structures. The detrimental effect of industry upon a living area is inversely proportional to the amount of area devoted to residential use within any block. In blocks of high residential use the blighting conditions are not as critical as the dwellings are well grouped and tend to insulate themselves from the surrounding industrial plants. Conversely, where only a very few dwellings are located, either singly or in small groups, the predominant use being industrial, the conditions are most severe.

2. Overcrowding of Land and Dwellings

The South of Market area is characterized by a very high density of population, in many blocks exceeding 300 persons per net residential acre. Table IV, which follows, shows population densities for seven selected blocks.

Table IV

Population Densities
Seven Blocks, South of Market Area*

<u>Block</u>	<u>Location</u>	<u>Net Res.</u> <u>Area</u> <u>(acres)</u>	<u>Est.</u> <u>Pop.</u>	<u>Persons</u> <u>per Net. Res.</u> <u>acre</u>
3726	6th, Howard, 7th, Mission	4.05	1339	331
3727	7th, Howard, 8th, Mission	1.97	580	294
3730	7th, Folsom, 8th, Howard	2.12	623	294
3731	6th, Folsom, 7th, Howard	3.37	1062	316
3751	3rd, Harrison, 4th, Folsom	3.38	1175	348
3753	5th, Harrison, 6th, Folsom	2.22	533	240
3755	7th, Harrison, 8th, Folsom	1.84	505	275

*Population estimated per block on basis of enumeration district data of 1950 Census.

The high densities shown by the table are confirmed by examination of the crowded condition of residences on very small lots along both sides of the narrow alleys.

The density of dwelling units in the area is also excessive. Even with rooming houses and hotels excluded, a density of from 100-200 dwelling units per net residential acre is reached in certain blocks.

High coverage of land by buildings is characteristic of the South of Market area. Residential coverage along averages 69 per cent in typical blocks. As most industrial buildings generally cover the entire lot the coverage ratios are even higher when all structures are included.

Excessively high coverage has resulted from the very small size of residential lots (25 x 75 to 90 feet). For comparison, coverage in the Western Addition, which has larger lots, ranges from 70 to 80 per cent, and is one of the primary blighting factors in that deteriorated area. Studies currently underway in the Department of City Planning in conjunction with the proposed amendment to the present zoning ordinance show that a three-story multi-family building should not cover more than 65 per cent of the lot. This is a maximum, not a recommended standard.

Overcrowding of the land is accompanied by overcrowding of buildings, a situation that largely parallels that found in the Western Addition. Structures originally intended for one, two or three families have been converted to take care of many times that number. For example, a study of six typical blocks showed that each residential structure, excluding rooming houses and hotels, provided for an average of seven dwelling units.

3. Age of Buildings

Aside from the old Mint and the Main Post Office no building in the South of Market area is over 46 years since the entire area was swept by the fire of 1906. Practically all residential rebuilding took place within ten years after the fire, as indicated by Table V. Most of the industrial construction occurred in the 1920's, with some in the two following decades. The data in the following table does not include conversion of residence to other uses.

Table V

Age of Structures,
Four Selected Blocks, South of Market Study Area*

<u>Year</u>	<u>Resid'l</u>	<u>Ind'l</u>	<u>Comm'l</u>	<u>Res. & Ind.</u>	<u>Res. & Com.</u>
1905-10	68	11	4	2	17
1911-15	50	4	4	1	13
1916-20	13	6	1	1	2
1921-25	2	31	2	1	0
1926-30	0	22	6	1	1
1931-40	2	15	3	0	0
1941-52	2	17	3	0	0
Undated	14	17	5	0	5
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTALS	151	123	28	6	38

*Note: Blocks 3549, 3726, 3731, and 3753 are included in tabulation. For location see Plate VII.

4. Dilapidation

Although the majority of residential structures are not excessively old, deterioration and dilapidation are serious factors of blight in the South of Market area. Owners have lacked incentive to keep their properties in good repair, surrounded as they are by conditions of environmental blight over which they have little control. In addition, they have met the strong demand for housing during the past few years by converting dwellings to hold more families. Such conversions have been makeshift and hasty, and, in many cases, have not provided certain essential amenities, such as private toilet and cooking facilities.

The Housing Census of 1950 revealed that a far higher percentage of dwelling units in the South of Market area were dilapidated and lacked either a private toilet, or running water than was the case for the city as a whole. The following table bears this out, although it shows that the extent of these conditions varies considerably within the area.

Table
Condition of Dwelling Units,
Nine Blocks, South of Market Area*

<u>Block</u>	<u>Location</u>	<u>D W E L L I N G</u>				<u>U N I T S</u>	
		<u>Total</u>	<u>No. Rotg.</u>	<u>No. Pvt. bath or dilapid.</u>		<u>No. running water or dilap.</u>	
				<u>No.</u>	<u>Percent</u>	<u>No.</u>	<u>Percent</u>
3549	14th, Folsom, 15th, So. Van Ness	143	140	26	18.5	11	7.9
3726	6th, Howard, 7th, Mission	448	426	235	55.2	76	17.3
3727	7th, Howard, 8th Mission	203	185	128	69.4	96	52.0
3730	7th, Folsom, 8th, Howard	166	165	88	53.2	86	52.5
3731	6th, Folsom, 7th, Howard	440	434	277	63.9	36	8.3
3751	3rd, Harrison, 4th, Folsom	182	166	46	27.7	10	6.0
3753	5th, Harrison, 6th, Folsom	254	247	171	69.3	35	14.2
3755	7th, Harrison, 8th, Folsom	157	155	97	62.5	51	32.9
3779	6th, Brannan, 7th, Bryant	94	72	7	9.8	0	0
San Francisco					10.2		2.6

* Census of Housing, 1950; excludes rooming houses and hotels.



Dwellings and industries share this dreary dead-ending alley.

Sidewalks are used for parking and storage, the street area for loading activities when a large-scale lumber yard invades the interior of a block.



Overcrowding is attested by these ramshackle building fronts. On slowly sinking ground they rest wearily upon one another for support.



Children's play space in front of drab and dingy houses. Raising of street grades has brought darkness, dampness and lack of privacy to living quarters.

Plate 5

LIFE IN THE SOUTH OF MARKET AREA

5. Poor Health and Safety Conditions

According to Department of Public Health reports, the five census tracts (K-1, K-2, K-3, K-4, and K-6) which are all or in large part within the South of Market study area have a disproportionate number of deaths from pneumonia, accident, suicide, and homicide, and a disproportionate number of tuberculosis cases. Although these census tracts comprise only 4 per cent of the city's population, in 1950 they had 25 per cent of the city's deaths from pneumonia; accidents, 9 per cent; homicide, 9 per cent; suicide, 7 per cent; and 18 per cent of the city's reported tuberculosis cases. It is much more likely that this indication of poor health conditions is due to the type of population drawn to the area -- that is, generally low income families and floaters -- than it is due directly to the environment. Nonetheless, the physical environment cannot be called healthful. Crowded and unhealthful living conditions are conducive to the spread of epidemic diseases. The one positive factor in the environment, the climate, is overbalanced by fumes, grime and dust from the traffic and the industrial activities. The land crowding is so great that light, air and sunshine are cut out, except that reaching the frontages on the narrow streets.

Noise, lack of privacy, crowding, and the surrounding commercial and industrial activities all tend to affect the residents of such an area psychologically. Furthermore, there are the hazards to morals and the public peace: bars and brothels and transient hotels, which contribute adversely to the attempts of the families in the area to live a decent life. The environment also encourages juvenile delinquency.

The 1948 report of the National Board of Fire Underwriters on San Francisco states that, in the industrial district south of Market Street, serious group and block fires may be expected at a number of points where a congestion of non-fireproof construction is found. Of the South of Market area, it further states: "A fairly large proportion of the district is on filled or unstable ground, making it especially susceptible to damage from earthquake shocks which would likely put the water supply system out of service. On this unstable ground are many of the more hazardous groups of buildings. Serious group fires covering considerable area may be expected at a number of points where a congestion of frame and non-fireproof construction exists, but on account of the proportion of open space [the great amount of area in wide streets separating major blocks] no general conflagration should occur. Because of greater congestion in the north [toward Market Street], mutual exposure between this district and the congested value district is severe."

6. Lack of Community Facilities

The residential portions of the South of Market area have been described as overcrowded, deteriorated and thoroughly blighted by their close relationship to industry. Not only are conditions within the actual living area substandard but there is a scarcity of those necessary community facilities normally provided by a municipality within a residential area.

The two elementary schools are located on inadequately small sites, while the location of one, the Franklin School, is seriously endangered by the freeway program. The need for improv-

ing educational facilities in the area is recognized by school authorities, however, and proposals have been put forth for the construction of a new school at Columbia Square.

Greater than the lack of school facilities, perhaps, is the lack of recreational facilities. With the elimination of Father Crowley playground there is not a single public playground in the area, with the exception of the inadequate school sites. Children living within a primarily industrial area require, even to a greater extent than others, places where it is safe to play. At present they play on congested streets, in rubbish-littered lots, and in unprotected storage yards. Slum areas such as this with insufficient or inadequate areas of play space for children of all age groups foster juvenile delinquency and crime.

7. Subsidence

The South of Market area, like much of the downtown district, has subsidence problems, well illustrated by Plate 5. Each building site requires specific study with regard to foundation design, since subsoil conditions can vary within a very short distance. Except for the vicinity of Rincon Hill bedrock is generally far below the surface, in some places more than 250 feet below city base. Subsidence occurs in connection with sand, various unstable clays, alluvial materials, and swamp and marsh materials, layered and in various combinations above bedrock.

Prior to settlement a number of creek systems emptied into Mission Bay. One of these, the Hayes Valley system, originally emptied into Yerba Buena cove in approximately the line of lower Market Street. Sands blowing from the ocean beach, however,

passed through the Panhandle gap and built up a ridge between Rincon Hill and Telegraph Hill which blocked the outlet, and the Mission swamp area was formed. Vegetation thrived, caught sand and silt, and a layer of peat formed. In the early days of the city the swamp was filled largely by leveling the sand hills. Some drainage occurred, but underground drainage still follows the old system of valleys into the former swamp area where there is a great deal of saturated material ~~and~~ underground and even subterranean lakes. The filled lands of former Mission Bay also present unstable subsoil characteristics -- unstable marine clays covered by a miscellany of sand, rock, wood, and rubbish.

Four factors cause subsidence: an actual flow of material, drainage, compression, and plastic deformation. The latter is most important in the South of Market area, aided materially by compression and drainage, and perhaps, to a lesser extent, by actual flowage through the seawall. 1/

Generally speaking, earthquake action is more violent on filled land, land of alluvial character, dune sand, and swamp and marsh material, and less violent the closer bedrock is to the surface. The South of Market area would thus appear to be especially susceptible to earthquake damage.

1/ See Subsidence and the Foundation Problem in San Francisco,
A report of the Subsoil Committee of the S.F. section,
A. S. C. E., September, 1932.

REDEVELOPMENT AND THE SOUTH OF MARKET AREA

A. The Redevelopment Program in San Francisco

Following the enactment of the California Community Redevelopment Act in 1945 aimed at "the rehabilitation and redevelopment of blighted areas in urban and suburban communities in this State", the San Francisco City Planning Department prepared a redevelopment section of the Master Plan of San Francisco. The purpose of this section was to take advantage of the provisions of the state act and to indicate existing conditions in the areas of blight and decay.

The general areas of blight were found to be the Western Addition, Chinatown, South of Market, and portions of the Mission, Bernal, and Potrero districts. In addition to these, the report indicated that further study was required of those hilly areas whose development had been arrested by faulty street layout and lot subdivision.

With the establishment of the San Francisco Redevelopment Agency in 1949 to prepare and carry out a program of slum removal and redevelopment, further studies were made to determine more specifically those areas which could be included within an overall program.

The integrated program developed by the Redevelopment Agency proposes to attack the three primary conditions of blight which exist in San Francisco:

1. Residential slums and blighted areas characterized by substandard housing, hazardous and unhealthy living conditions, overcrowding and over-occupancy of old structures.

2. A mixture of slum and blighted residential structures with industrial and commercial uses in areas zoned for industrial and commercial development.

3. Arrested development and disuse of large areas of vacant land due to faulty planning and disregard of the physical characteristics of the land.

The four areas included in the redevelopment program, shown in Plate 6, were selected so that a beginning could be made in rectifying each of these conditions.

The largest area of blight in the city is in the Western Addition. Redevelopment there will provide the opportunity to replace the old deteriorated slum with a new residential area equipped with the necessary community facilities and shopping areas.

Diamond Heights and John McLaren Park areas, located in the hilly areas of the central and southeastern parts of the city, respectively, have remained largely undeveloped due to an original improper street design and lot subdivision. Redevelopment of these areas will make land available for residential use, the last remaining large areas for this purpose in the city. The Diamond Heights project is scheduled ahead of the others so that housing will be made available, both directly and indirectly, to the families to be displaced by later projects.

The redevelopment of the South of Market area for industrial purposes is an integral part of the overall program. The shortage of new housing sites in the city is matched by the shortage

of good industrial sites unencumbered by diverse ownerships and antiquated street design. The South of Market area is best suited for light industry but it cannot completely fulfill this use until the dead hand of blight is removed. This, redevelopment can do, by removing the old, decayed slum dwellings and inferior structures; by assembling the small inadequate and inefficient lots into parcels of usable size; by improving internal circulation in the large blocks which typify the area; and by stimulating redevelopment by private means within the area.

The redevelopment program outlined above will bring about an improved physical, social and economic environment for the city as a whole. It will eliminate some of the blighted and arrested areas which are among the city's greatest liabilities; it will provide new residential areas, well designed and provided with neighborhood and community facilities; and it will furnish badly beaded sites for industry, thus creating new job opportunities, increased payrolls, and greater city revenues. Completely in accord with the findings of the Master Plan, the program is a well rounded and integrated one which will benefit the entire city.

B. Planning Considerations in the South of Market Area

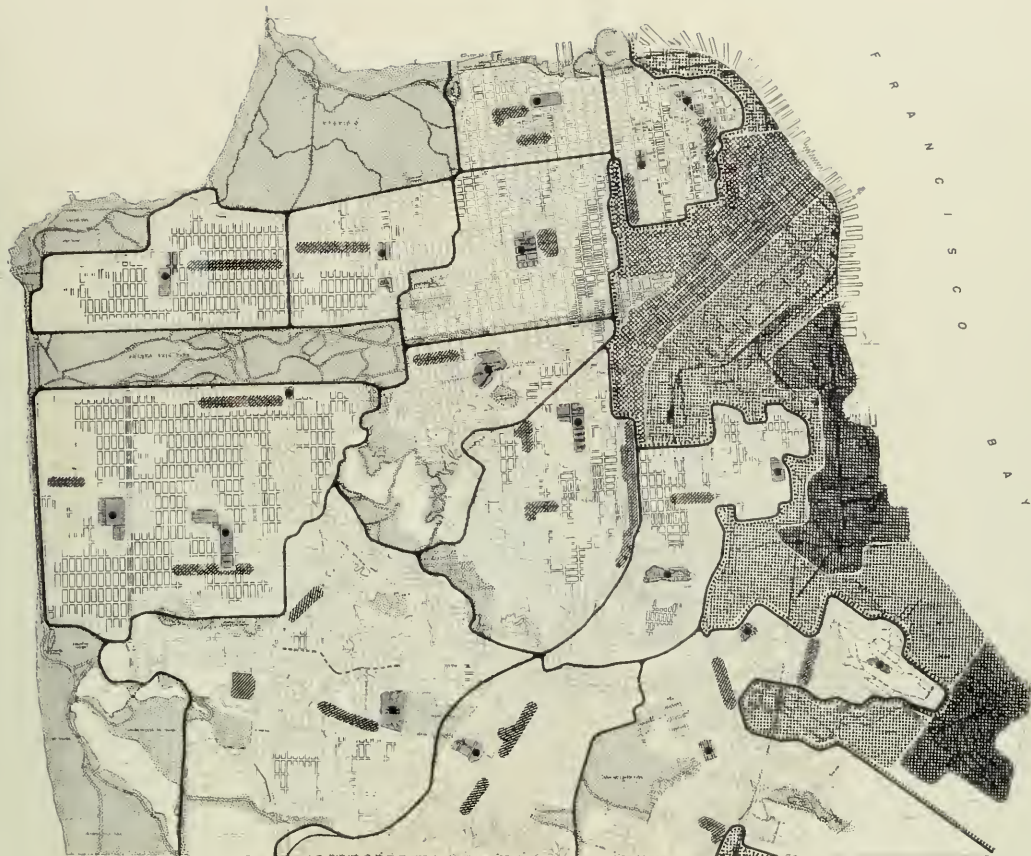
In considering the possible redevelopment of the South of Market area, or of portions of it, it is most important to study the relation of this area to the long range overall planning guides already proposed by the City Planning Commission in the city's Master Plan, and to other studies implementing the Master Plan which have been made by the staff of the City Planning Department.

1. Land Use

The generalized land use plan for San Francisco proposes that the South of Market area be devoted primarily to light industrial purposes. The extent of the industrial areas within the city as proposed in the land use plan is shown in Plate 7, which indicates that the the South of Market area constitutes a considerable portion of the city's entire industrial area. A detailed study of the city's working areas has not yet been undertaken by the staff of the department.

Under the present zoning ordinance, adopted in 1921, the major portion of the South of Market area is zoned for light industrial uses, as indicated by Plate 8. The block-wide strip between Brannan and Townsend Streets is zoned heavy industrial while property fronting on Market, Valencia, and Fifteenth Streets is zoned for commercial uses. A comprehensive amendment to the present zoning ordinance is being prepared at present which may entail revision of existing zoning districts. It can be assumed, however, that the new zoning regulations will maintain the South of Market area as a light industrial area. If these are put into effect, they will not only control the types of industry permitted, but will also require off-street parking and loading facilities for new plants. In addition, they will prohibit further residential development in the area.

As expressed by the generalized land use plan for San Francisco, and by the zoning instruments which implement it, the South of Market area should be developed primarily as a light industrial district, with present residential uses eventually eliminated.







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LAND USE SECTION OF THE MASTER PLAN OF SAN FRANCISCO

CITY-WIDE LAND USE PLAN

PRINCIPAL LAND USES

-  RESIDENTIAL
-  COMMUNITY SHOPPING
-  COMMUNITY CENTERS
-  CITY-WIDE PUBLIC & SEMI-PUBLIC

-  CENTRAL COMMERCIAL
-  LIGHT INDUSTRIAL
-  HEAVY INDUSTRIAL
-  COMMUNITY BOUNDARIES
-  BOUNDARY BETWEEN LIVING & WORKING AREAS

THIS PLAN WAS ADOPTED BY RESOLUTION NUMBER OF THE CITY PLANNING COMMISSION AT A MEETING HELD ON 19

LAND USE PART 1

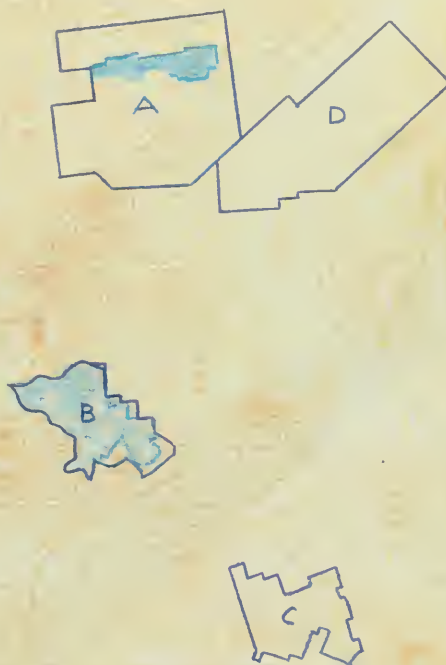
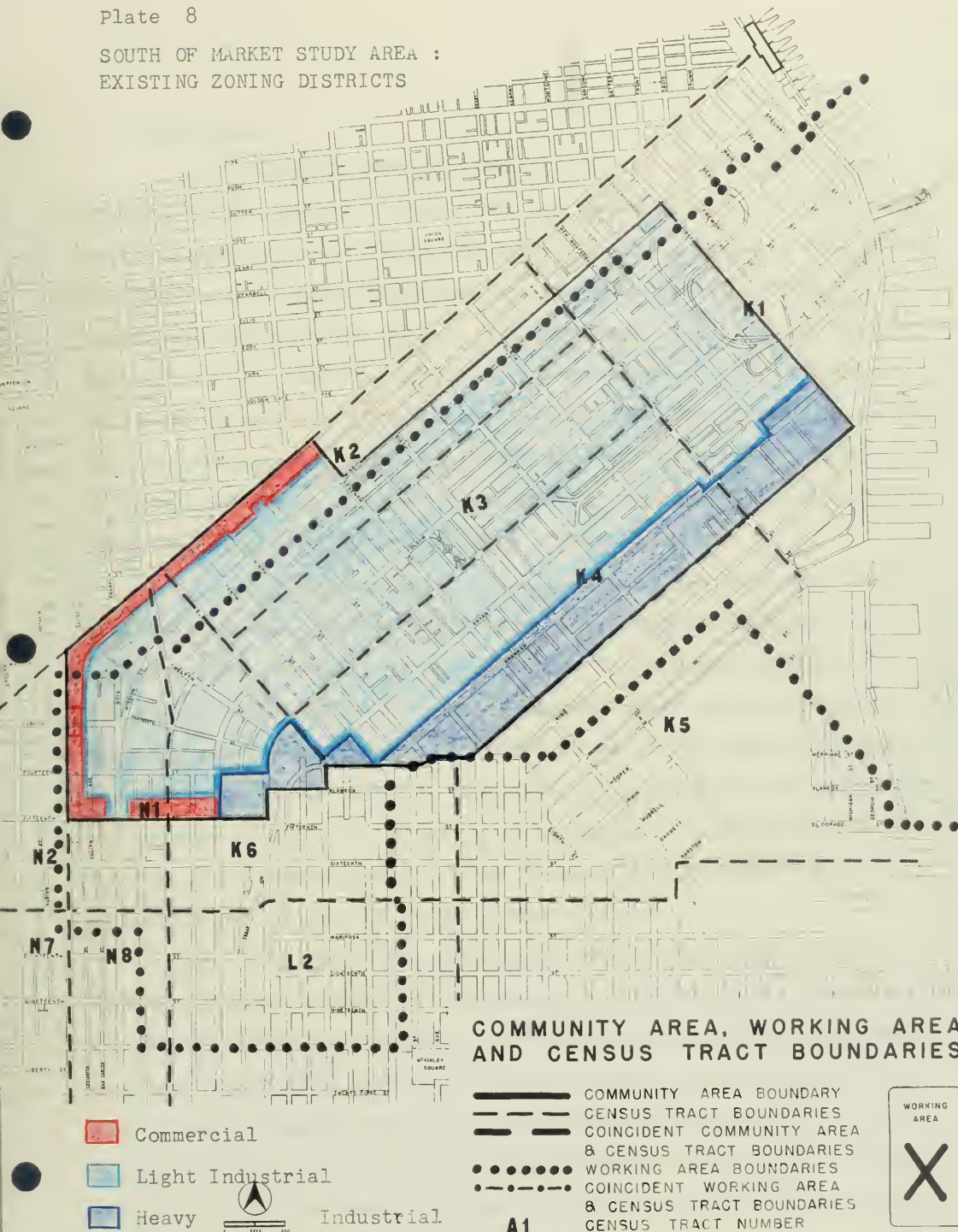


Plate 6

THE REDEVELOPMENT PROGRAM IN SAN FRANCISCO

- A. Western Addition Redevelopment Area, designated August 3, 1948; showing Project Area Number One.
- B. Diamond Heights Redevelopment Area, designated July 24, 1950; showing project area.
- C. McLaren Redevelopment Area, designated April 14, 1952.
- D. South of Market Redevelopment Study Area.

SOUTH OF MARKET STUDY AREA :
EXISTING ZONING DISTRICTS



COMMUNITY AREA, WORKING AREA
AND CENSUS TRACT BOUNDARIES

- COMMUNITY AREA BOUNDARY
- CENSUS TRACT BOUNDARIES
- COINCIDENT COMMUNITY AREA & CENSUS TRACT BOUNDARIES
- WORKING AREA BOUNDARIES
- COINCIDENT WORKING AREA & CENSUS TRACT BOUNDARIES
- CENSUS TRACT NUMBER

WORKING AREA



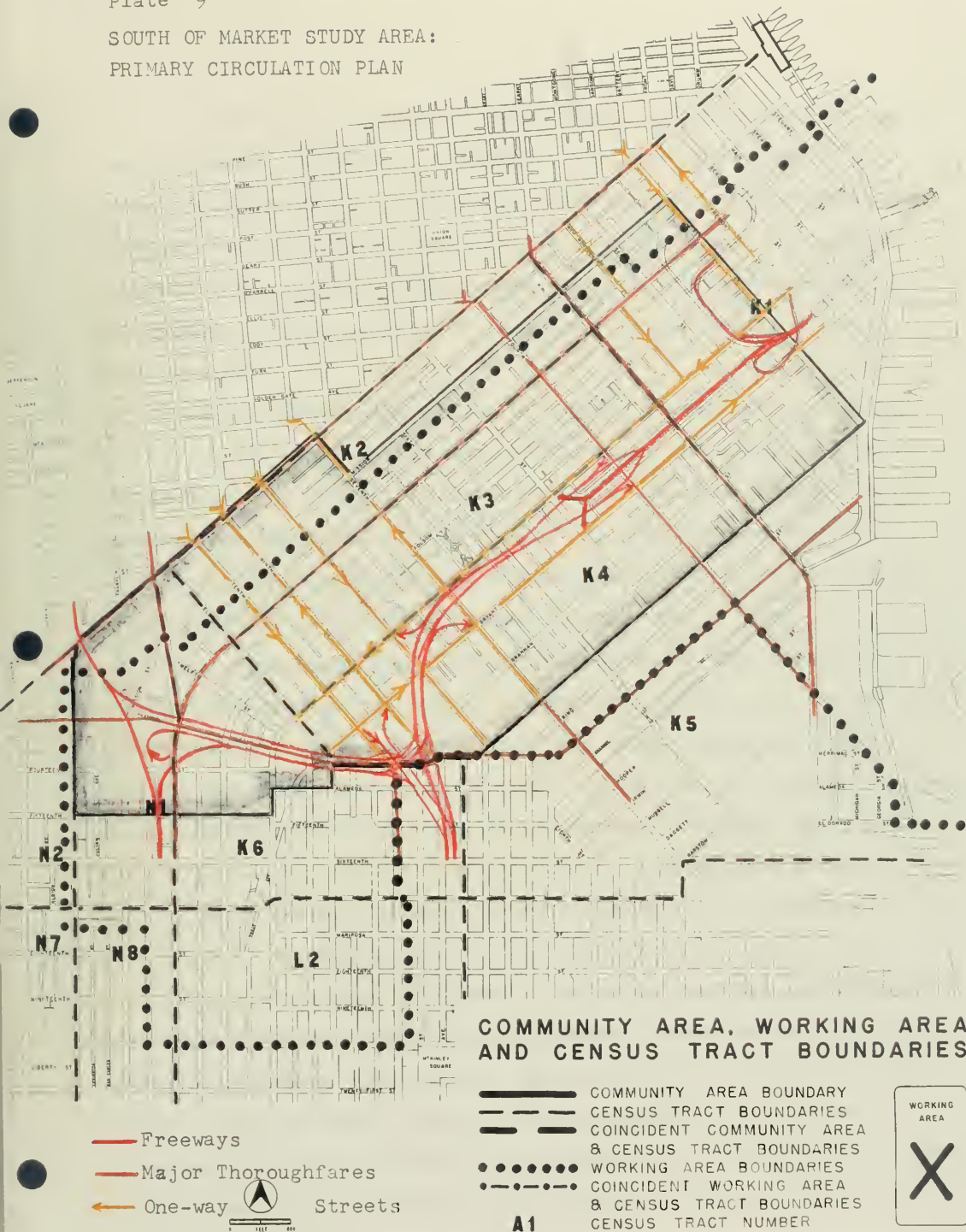
2. Circulation

The principal proposals concerning the major circulation pattern of the South of Market area are shown in Plate 9. They are based primarily on two plans adopted by the City Planning Commission; the Trafficways Plan, indicating the proposed system of major thoroughfares (omitting the central business district); and the Plan of One-way Streets, showing proposed one-way streets. As a detailed study of circulation in the central business district has not as yet been undertaken the present thinking of staff members of the City Planning Department has been considered in rounding out the future transportation pattern in the South of Market area.

The key to circulation in this area is the Bayshore Freeway, the San Francisco-Oakland Bay Bridge, their connections, and approaches. As indicated by the plate the Freeway extends from its connection with the Bridge east of Fourth Street westward between Harrison and Bryant Streets to Eighth Street. Everywhere elevated, the structure turns south to cut diagonally across Bryant, Ninth and Brannan Streets, spanning Division Street to continue south through the Potrero district. The Freeway has important points of egress and access, as shown on the plate.

The long arm of the Freeway above Thirteenth Street will form an integral portion of the Central Freeway which will encircle the central business district. The Mission Freeway will pass southward between Mission Street and South Van Ness Avenue from its connection at Thirteenth Street with the Central Freeway. The freeway network described above will provide high speed access to and from the South of Market area and other sections of the city and Bay Area.

SOUTH OF MARKET STUDY AREA:
PRIMARY CIRCULATION PLAN



Study of the impact of such a system of freeways upon the surface street pattern has produced a plan for conversion of a number of major streets to one-way operation upon completion of the Bayshore Freeway projects now under way. (See Plate). Together with the development and improvement of certain other major streets the one-way streets will serve as the core of the surface circulation pattern.

Third Street will remain as a major thoroughfare carrying traffic to the southeastern part of the city, while Fourth Street can be developed to relieve Third Street if the impediment of the Southern Pacific yards is alleviated. It is also proposed that Seventh Street be more intensely developed to carry traffic beyond Townsend Street as far as Sixteenth Street.

A proposed system of major thoroughfares will completely encircle the greater portion of the South of Market area, serving to distribute traffic to the area. This would consist of Berry Street, spanning the Southern Pacific tracks east of Seventh Street; Division Street, extended to connect with Berry Street; Thirteenth Street, widened and extended to connect with Division Street; South Van Ness Avenue; Market Street; and the Embarcadero Freeway, to a connection with Berry Street.

To provide more efficient circulation with the west central part of the city it is proposed that Duboce Avenue be improved and extended to connect directly with Thirteenth Street east of Mission Street. South Van Ness Avenue, by its connection with Van Ness Avenue north of Market Street, will continue as a major traffic route between the Mission Community and the central portion of the city.

The system of freeways and major thoroughfares described above will provide the area with excellent means of access from all sections of San Francisco, and from East Bay and Peninsula points. The pattern of surface streets can be utilized to provide effective dispersal of vehicles entering the area, while through traffic can be routed so as not to interfere with local surface traffic.

An officially adopted transit plan for the city has not as yet been formulated. However, numerous studies have been made within recent years which have recommended certain changes in the existing transit system to bring about a more efficient and agreeable operation. These proposals do not radically alter existing routes in the South of Market area, and it can be expected that requirements of the area will be met.

Rapid transit proposals in recent years have centered about a Market Street subway including an extension southward along Mission Street. Such a structure would skirt the South of Market area and would bring it much closer to outlying residential areas in terms of travel time. Subway stations would be located, according to latest thinking (1950), on Mission Street at Sixteenth, and on Market Street at Second, Third, Fourth, Turk, Eighth Streets, and Van Ness Avenue. Terminus would be at the Bay Bridge Terminal at First and Mission Streets. From these stations local surface lines would penetrate the area.

3. Community Facilities

The change in the character of the South of Market area from one of mixed residential and industrial use to one of predominantly industrial with family living excluded will require an analysis of the types of community facilities to be provided. The gradual removal of families from the area will have a profound effect on school and recreation requirements. As this process is certain to be a slow one, with or without redevelopment, it will be necessary to maintain some facilities to serve those which remain.

Schools

Recent proposals of the San Francisco Unified School District have included the construction of a new school at Columbia Square to replace both Franklin and Lincoln schools. The unofficial view of the Department of City Planning has been that, because this area is to be eventually non-residential, the erection of a permanent new school in the South of Market area would not be justified. The construction of a temporary structure at Columbia Square, however, might be considered. Such buildings have served well in recent years in the Lakeside and Parkmerced areas. The location is a good one, being within two blocks distance of seven of the most populous blocks in the entire area. The school would also provide playground facilities so badly needed in the area. Unfortunately, the school site would be completely surrounded by industrial buildings, not the most compatible of neighbors. If Lincoln school was also abandoned some pupils would be forced to cross an excessive number of heavily traveled streets to reach Columbia Square school (every street from Third to

Sixth, for instance). The continued use of Lincoln School or the construction of a small temporary home school unit in the South Park area might be considered to alleviate this problem.

Recreation

Recreational facilities for children have been eliminated with the abandonment of Father Crowley playground because of the freeway project. It would seem possible that certain facilities for young children could be established at Columbia Square, either independently or in conjunction with a new school. The capital improvement program for 1952-53 lists a proposal of the Park and Recreation Department to install facilities at Columbia Square for midget auto racing and model airplane flying. As these activities are of a city-wide nature development of the Square for such purposes would not materially meet the needs of children residing in the area. Thought should be given to the ultimate use of South Park and Columbia Square, if not used for school purposes. They could be developed as small neighborhood parks to serve the remaining residential population, and also for the use of industrial employees.

Public Health

Because of the complete lack of public health facilities in the South of Market area the Department of Health has recommended the construction of a district health and nursing center in the vicinity of Sixth and Folsom Streets.

In meeting the deficiencies in community facilities the city must determine if the cost of providing permanent new facilities can be justified if the area is to become depopulated with the pass-

age of time. On the other hand, as the area will continue to house families for a number of years such community facilities as are needed and can be provided without excessive cost should be established and maintained.

C. Desirability of Redevelopment in the South of Market Area

Redevelopment is desirable in the South of Market area because it makes possible the removal of presently blighted residential areas and their replacement by sites needed by industry. The general supplanting of residential by industrial uses has been impeded by scattered ownership and by the physical pattern of development. Within the 86-block study area there are approximately 3800 individual parcels, the ownership of which is, for the most part, widespread and scattered. A comparison between the land use pattern of 1919 with that of the present shows that former large open spaces have since been built upon by industrial and commercial concerns. Consequently, it has become most difficult for new industries to establish themselves in the area, or for old industries to expand, because of the almost impossible task of accumulating enough small properties to form suitable sites.

A study of nine typical blocks in the area indicates an average of 95 parcels per block at present. In 1906 these same blocks averaged 115 parcels per block indicating an exceedingly slow trend toward consolidation. The physical pattern of the typical block places the small 25 x 75 to 90 foot lots on the interior streets, while the larger lots front on the major streets. The character of the area makes the assembly of property difficult, as owners of resi-

dential property, enjoying an income despite blighted conditions, are not prone to dispose of their holdings without the payment of a high premium by the industrial buyer.

It is most important that land of suitable size and location be made available for industrial development within a city which contains a scarcity of good industrial sites. The redevelopment process, by acquiring and clearing old blighted properties and by reparceling the land upon an improved interior-street design, can furnish sites to interested industrial purchasers desiring either to expand old plants or to build new ones. In spite of the trend towards industrial decentralization there is a well established demand for central sites by certain types of industry. San Francisco's present and future inability to meet this demand can seriously interfere with its full and proper economic and physical development. The present situation in the South of Market area is a wasteful one, physically, economically, and socially, and the redevelopment process offers the best method at present of amelioration.

Common to most blighted and slum areas the South of Market area constitutes a drain on the city's treasury due to the need for supplying necessary community facilities to the residential population, such as schools and fire and police protection. The revenues which the city receives from the residential properties in the form of taxes is not commensurate with these outlays.

Because of the effects of blight upon potentially valuable land, tax returns from the South of Market area are much less than would be expected. This is because the assessed valuation of

blighted residential property is far less than that of industrial property. It is estimated that redevelopment of the area for industry would succeed in increasing the assessed valuation of present residential properties an average of two and a half times. Increased revenues to the city will thus accrue, and will serve to repay the outlays which the city may be required to make in the redevelopment program. Eventually, with the reduction in residential population community facilities will not be required, and the expense of maintaining these eliminated.

The size and character of the South of Market area and the financial means of redevelopment are such as to suggest a stage by stage process of redevelopment. A number of blocks which do not possess a great amount of residential use will probably not be included in the redevelopment program because of poor marketability although they are severely blighted. It is therefore important that other measures of amelioration be undertaken to reduce the severity of blight at the same time that a redevelopment program is instituted. Although such measures will not effectively attack the chief cause of blight -- indiscriminate mixture of uses -- they will do much to ease living conditions in the area.

These measures entail the development of a program of enforcement of municipal health and safety regulations under the supervision of the Department of Public Health, in coordination with the Redevelopment Agency. Investigation of living conditions in the area will bring out a number of violations of these regulations. Enforcement will serve to bring individual dwellings into greater conformity with decent standards and will eliminate those structures which can no longer be used for human habitation.

D. Economic Feasibility of Redevelopment in the South of Market Area

If the redevelopment process is accepted as a desirable method of improving the South of Market area further investigation is required to determine its feasibility. In discussing the economic feasibility of redevelopment in this area three subjects will be covered: 1) the marketability of industrial land in the South of Market area; 2) preliminary appraisals of land and property values; and 3) possible methods of financing redevelopment in the area.

1. The Market for Industrial Land

Investigation of the extent and type of the present market for industrial land in the South of Market area included an examination of the current thinking of qualified industrial realtors and developers thoroughly familiar with market conditions in the area, and a study of industrial building activity during the past few years. From these sources it is apparent that the demand for suitable open sites in the area is far greater than the available supply. Sales of industrial land in the South of Market area amounted to \$594,500.00 in 1950 (one-quarter of the city's total), but had fallen to \$217,100.00 in 1951 (one-tenth of the city's total). 1/ Roughly one-quarter of new industrial plants and expansions in San Francisco during the past four years has occurred in the South of Market area as indicated by Tables VI and VIII. A relatively higher percentage of this activity was in the form of plant expansions than was the case in either the city as a whole or the twelve county Bay Area.

1/ Summary of activity in the industrial land market, 1950 and 1951, by Robert B. Danielson.

Table VI

New Plants and Expansions, 1948-51,
South of Market Study Area*

<u>Area</u>	<u>Expansions</u>		<u>New Plants</u>		<u>Total</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
South of Market	99	77	28	23	127	100
San Francisco	285	62	180	38	465	100
Bay Area**	1159	61	738	39	1897	100

* From Technical Data - Manufactures, S. F. Chamber of Commerce, 1948-51.

** Comprises Alameda, Contra Costa, Marin, Napa, Sacramento, San Francisco, San Joaquin, San Mateo, Santa Clara, Solano, Sonoma, Yolo counties.

A complete inventory of commercial, industrial and other non-residential uses in the South of Market area has not been undertaken in this study. Such an investigation would give a comprehensive and detailed picture of the type, size and location of the various forms of commerce and industry which have established themselves in the area. In lieu of such a study, however, an examination of non-residential uses in nine selected blocks was attempted. These particular blocks are not typical industrial blocks, containing a high percentage of residential use. Also, because of ^{three} them front upon Third, Sixth and Mission Streets a much higher percentage of commercial use is encountered than would be the case in the area as a whole. The results of this tabulation for nine blocks appear in Table VII.

For the purposes of the computation commercial uses have been divided into six categories: Retail stores: wholesalers, distributors,

and jobbers; insurance, real estate and similar services; commercial garages; commercial parking lots; and gas stations. The second category includes wholesalers with small stocks of supplies on the premises. Wholesale establishments which maintain stocks in large structures are placed in the warehouse category of industrial uses.

Industrial uses have been divided into five categories: Warehouses; open storage; manufacturing establishments; industrial services; and truck terminals. Open storage includes primarily such open uses as contractor's storage yards, pipe yards, lumber yards, and junk yards. Industrial services include commercial laundries, auto repair and auto wrecking establishments, and rug cleaning concerns.

Table VII indicates that there are twice as many industrial establishments as commercial, and that one-half of the industrial uses are manufacturing concerns. The number of commercial establishments is undoubtedly exaggerated in this tabulation because of the particular blocks selected so that these ratios should not be applied to the entire area. They do, however, indicate the character of non-residential use in general terms.

Table VII

Commercial and Industrial Establishments,
Nine Blocks, South of Market Study Area**

<u>Use</u>	<u>Number</u>	<u>Per Cent</u>	<u>Per Cent of Total</u>
<u>Commercial</u>			
Retail stores	94	53.7	19.3
Wholesalers, distributors, and jobbers	55	31.5	11.3
Insurance, real estate, and similar services	6	3.4	1.2
Commercial garages	3	1.7	.6
Commercial parking lots	9	5.2	1.8
Gas stations	<u>8</u>	<u>4.6</u>	<u>1.6</u>
<u>Subtotal</u>	175	100.0	35.8
<u>Industrial</u>			
Warehouses	108	34.7	22.2
Open storage	30	9.6	6.2
Manufacturing establish'm'ts	150	48.1	30.9
Industrial services	22	7.0	4.5
Truck terminals	<u>2</u>	<u>0.6</u>	<u>0.4</u>
<u>Subtotal</u>	312	100.0	64.2
	<u>=====</u>	<u>=====</u>	<u>=====</u>
<u>TOTAL:</u>	487		100.0

* Note: The nine blocks included in the tabulation are 3549, 3726, 3727, 3730, 3731, 3751, 3753, 3755, 3779, and are shown in Plate 10.

As manufacturing establishments form the largest category of non-residential uses an examination was made of the various classes of manufacturing which have established themselves in the South of Market area. Once again, a complete inventory of manufacturing concerns in the study area would have been most helpful. Instead, a tabulation of all new construction for manufacturing purposes during the past four years was made, the results appearing in Table VIII.

The table indicates that the class, "metal and metal products," ranks first in the number of new plants and expansions from 1948 to 1951. Because of a change in classification in 1950 this class includes all metal industries -- primary industries as well as metal products manufacturing. In the areas under consideration the latter is by far the more numerous. In the number of new plants and expansions the metal industries rank first in the Bay Area as a whole, and second within the city. Food products industries, which rank second in the South of Market area, rank first in San Francisco, and second in the Bay Area.

Machinery manufacturing, furniture manufacturing, printing and publishing, and the apparel industries also rank high in the amount of new construction in the South of Market area. Of these, the last two appear to be well concentrated in San Francisco. Others, while few in number, show a fairly high percentage locating in the city. Industries which do not appear to prefer locations in San Francisco or the South of Market area are chemicals, electrical machinery, transportation equipment, and stone, clay, and glass products manufacturing. Basic industries such as lumber, petroleum and coal locate

predominantly outside the city.

In summary, there is a ready market for good open sites in the South of Market area. The principal non-residential users of the land are manufacturing establishments, warehouses and storage facilities, wholesalers and distributors, and services of an industrial nature. Retail stores are numerous at present but are largely dependent upon the local resident population. With its decline these uses will also become reduced in number.

Table VIII

New Plants and Expansions, South of Market Study Area,
Ranked by Number, 1948-51*

<u>Class of Manufacturers</u>	<u>South of Market</u>	<u>San Francisco</u>
Metal and Metal Products**	24	75
Food and Kindred Products	16	87
Machinery (except Electrical)	15	30
Furniture and Fixtures	12	47
Printing and Publishing Industries	11	56
Apparel and Related Products	11	42
Miscellaneous Manufactures	10	29
Chemicals and Allied Products	7	25
Paper and Allied Products	6	11
Electrical Machinery	4	19
Leather and Leather Products	4	6
Transportation Equipment	3	10
Stone, Clay and Glass Products	2	10
Rubber Products	1	3
Tobacco Manufactures	1	1
Textile Mill Products	0	8
Instruments and Related Products (1950-51 only)	0	3
Petroleum and Coal Products	0	2
Lumber and Lumber Products, except Furniture	0	1
TOTAL:	127	465

* From Technical Data - Manufactures, S.F. Chamber of Commerce

**Refers to Classes XIV and XV, combined because of changes in classification 1948-49 - XIV, Iron and Steel and Products; XV, Nonferrous Metals and Products; 1950 - XIV; Primary Metal Industries; XV, Fabricated Metal Products.

2. Acquisition Cost and Re-use Value.

Examination of the economic feasibility of redevelopment requires a study of the probable cost of acquiring property and estimated resale value of cleared land in possible project areas. Preliminary and general appraisals of both land and improved property in the area were obtained from the city's Real Estate Department, and these values were confirmed by other sources -- industrial realtors thoroughly familiar with market values in the area, and by an examination of recent sales in conjunction with State acquisition of property for the freeway right-of-way.

Values for industrial land are well standardized throughout the South of Market area. Parcels of similar size and character bring similar prices irrespective of general location within the study area. The principal factors to be considered in arriving at estimates of land cost are the following:

1. Location within a major block. Land fronting upon a major street (Howard, Sixth, etc.) is of greater value than is property fronting on narrow interior streets (Langton, Clara, etc.).
2. Size of parcel. Parcels of very small size (25 x 75 feet) bring less per square foot than do parcels of larger size.
3. Subsidence. The degree of subsidence within a particular area is inversely related to the value of parcels within the area. However, because of modern foundation techniques, subsidence does not present the problem it formerly did.
4. Present use of land. Blighted residential use tends to reduce land values.

In general, land values in the area are: \$3.00 per square foot for parcels fronting upon major streets; and \$2.00 per square

foot foot for land on narrow interior streets. Large corner lots have brought as much as \$3.50 per square foot, while small interior lots in subsidence areas have been purchased at \$1.50 per square foot.

Estimating the value of buildings and other improvements on the land is a more difficult process. Although many of the residential structures are old and dilapidated they remain income producing and consequently bear an inflated value. For the purposes of this study the acquisition cost of blighted property, including both land and improvements, has been estimated at an average of \$5.00 per square foot. Properties containing modern industrial structures, however, average at \$3.00 per square foot for land, and \$5.00 per square foot for the structures.

The cost of acquiring hotels and large rooming houses is not included in the above estimates, as these require individual appraisals. The acquisition cost of such structures is determined in part by location, type of construction, number of rooms, and income derived from rooms and ground floor commercial uses.

Value of land for resale for industrial purposes following acquisition and clearing has been estimated at \$3.00 per square foot. This presupposes reparcelization of cleared areas to provide larger lots and the widening or otherwise improving of interior streets to provide better access to block interiors. This value, in selected instances, could be increased to \$3.50 or even \$4.00 per square foot.

Application of the above estimates was made to those blocks deemed most feasible for redevelopment. Nine blocks were studied, (shown in Plate 10), and an area described within each to be acquired

and cleared. Appropriate internal street changes were made and re-use value estimates applied to the resultant area of cleared land. These areas included all present blighted properties and certain substantial structures situated in block interiors whose purchase would be necessary to provide more efficient interior block design. Substantial structures, including hotels and rooming houses, on major streets were not included in possible redevelopment sites. Table IX summarizes the findings of estimated acquisition cost and re-use value in the nine block area.

Table IX

Estimates of Acquisition Cost and Re-use Value of Possible Redevelopment Areas, Nine Blocks, South of Market Area*

	<u>Acquisition</u> (land & improvements)	<u>Re-use</u> (land)
Area (square feet)	1,715,750	1,795,380**
Value	\$8,000,335.00	\$5,405,140.00
Average price per square foot	\$4.66	\$3.00

* The nine blocks are 3549, 3726, 3727, 3730, 3731, 3751, 3753, 3779, and are shown in Plate 10.

** Includes existing street areas to be vacated.

The cost of acquisition is almost 30 per cent greater than the probable re-use value of the land. This is because the present market value of land and improvements is high, despite the overall condition of blight, and because there is relatively little unimproved land. Because future income from the sale of cleared land

cannot be expected to cover the gross costs of purchase, clearing and improvement, the redevelopment process in the South of Market area cannot, in general, be considered self-liquidating.

3. Possible Types of Financing

Studies made up to this time point up the fact that large-scale redevelopment in the South of Market area will not be possible without municipal grant funds, except that certain selected sites might be redeveloped on a self-liquidating basis without the need for such grants.

The costs of acquisition, assembling, clearing, and site improvements (gross project costs) can be met by the receipt of a federal loan if the area is predominantly residential in character, or by the issuing of bonds by the local agency. The principal and interest on such bonds is payable from the income and revenues derived from the sale of land in the project area. As the proceeds from the sale of land in any possible South of Market project probably will not be sufficient to meet the entire bond issue requirements the financing can be accomplished by a city grant (either by appropriation or by the issuing of general obligation bonds). Federal grant funds, generally available for predominantly residential redevelopment projects, will not be available for the South of Market area, as the city's entire federal grant reservation is to be employed only in the Western Addition and Diamond Heights projects. This means that, if a project is not self-liquidating, the net project cost must be met by a local grant.

The possibility of a self-liquidating project must be kept in mind. A particular site, now blighted and divided into numerous ownerships, which is especially attractive to a large industrial^{or commercial}/purchaser when consolidated into a single parcel, might bring a higher price than \$3.00 per square foot, the re-use value used in this study. A purchaser willing to pay \$4.00 per square foot, for example, for redeveloped land could possibly, in selected instances, meet the gross redevelopment project cost and thus eliminate the need of a capital grant.

Instead of selling land for industrial development the Redevelopment Agency may prefer to lease all or portions of cleared land within any future project area. The granting of long term leases, including the option of eventual purchase, could be sufficiently attractive to industrial concerns as to make this method preferred. Further study of leasing procedures and their applicability to industrial areas is required.

E. Legal Restrictions on Scope of Redevelopment in the South of Market Area

The federal law which deals with slum clearance and urban redevelopment states that a project area which is to be redeveloped for non-residential purposes must be "predominantly residential" prior to redevelopment. 1/ As no such restriction occurs in the California Community Redevelopment Law, the redevelopment of any blighted area for non-residential use is possible regardless of the extent of present residential development, but cannot be accomplished with the use of federal loan and grant funds.

1/ U. S. Code, Title 42, The OPublic Health and Welfare, Chapter 8A, Slum Clearance and Farm Housing.

It is thus necessary to determine which, if any, portions of the South of Market area can be considered predominantly residential in character in order to qualify for federal assistance.

1. Determination of existing residential predominance

The term "predominantly residential" means that over 50% of either (a) total net ground area, or (b) total net floor area, within a project area is either in present residential use or converted from an obvious original residential use.

The method used in this study to determine residential predominance was (1) to analyze the land use pattern of the South of Market area to determine those areas where residential uses were concentrated; and (2) to make complete land use studies on a block basis of these areas. A total of nine major blocks were so studied, their location being shown in Plate 10. They form, together, an area of nearly 90 acres, including interior streets. Six of the blocks are concentrated between Mission Street and the Bayshore Freeway, and between Sixth and Eighth Streets, one is south of the Freeway, another is on Third Street, while the last is at the western extremity of the study area on Fifteenth Street.

Study of the existing land use pattern of each of these blocks was by both ground area and floor area. Tabulation of uses by ground area was on the basis of the principal use characteristic of each structure. Thus, a three-story hotel with ground floor commercial uses was placed in the residential category. Tabulation by floor area was on the basis of actual use of each floor. In such an instance, ground floor shops were placed in the commercial category

and the second and third story rooms were called residential.

Table X, in the following section, summarizes the results of the analysis. Parts of five blocks are predominantly residential on the basis of ground area, and all or parts of six on the basis of floor area. The location of these is indicated in Plate 10.

Aside from the blocks investigated there may be a few others which could qualify as predominantly residential but are not included in the present study because they are in the path of future freeway rights-of-way, are between Market and Mission Streets and therefore overly expensive to acquire, or are small isolated blocks not deemed appropriate for an initial program of redevelopment in the South of Market area.

2. Effects of restriction

The imposition of a restriction requiring residential predominance upon any future redevelopment project in the South of Market area is unfortunate, both from the standpoint of slum eradication, the primary purpose of the federal law, and the financing of future projects.

On the basis of the 1948 land use survey it is noted that 62 out of the 86 major blocks in the study area contain family residential dwellings. Each of these is severely blighted because of the mixture of incompatible uses, yet, at best only parts of six blocks can be redeveloped with the use of federal funds. As the blighting influence of industry upon family living is greatest where industrial uses outnumber residential, those blocks which are not predominantly residential provide a far worse living environment than do those with large concentrations of residential structures. Large groups of

dwellings in predominantly residential blocks tend to protect individual members from the deleterious effects of industry to an extent not possible in blocks where residences are few and scattered.

By refusing federal financing to those possible project areas which are not predominantly residential, the restriction permits the worst slum areas to continue, although in some cases redevelopment of such blocks would furnish more desirable industrial sites. For example, block 3779, between Sixth and Seventh, Bryant and Brannan Streets, contains a goodly number of dwellings intermixed with some extremely uncongenial neighbors -- scrap metal yards and lumber yards -- but is not predominantly residential. Estimates of acquisition cost and re-use value make this perhaps the best financial risk of any of the blocks studied. However, as federal funds cannot be obtained, financing of redevelopment in this block is made more difficult. As a result, families will continue living in slum conditions and potentially valuable industrial property will not be released to help meet the city's lack of good industrial land.

F. Possible Areas for Redevelopment

The determination of possible areas for redevelopment within the South of Market area is conditioned by the following factors, most of which have been previously discussed in general terms: (1) the existence of residential predominance; (2) the extent and degree of blight; (3) the market for industrial sites; (4) cost factors of redevelopment; (5) the size and type of area available for redevelopment; and (6) subsidence and foundation problems.

As the determination of residential predominance is a critical one in this study, those blocks which are here studied in detail were chosen because they appeared to have a large proportion of residential use. Although the emphasis in the study has been on determining which areas could qualify for federal assistance, the possibility of employing city funds entirely must not be overlooked in studying the redevelopment possibilities of the area. Market considerations are most important in evaluating the relative merits of the blocks. Those which can bring premium prices for cleared industrial land are generally those in which redevelopment is most feasible financially.

The nine blocks analyzed in this study are shown in Plate 10, and listed in Table X.

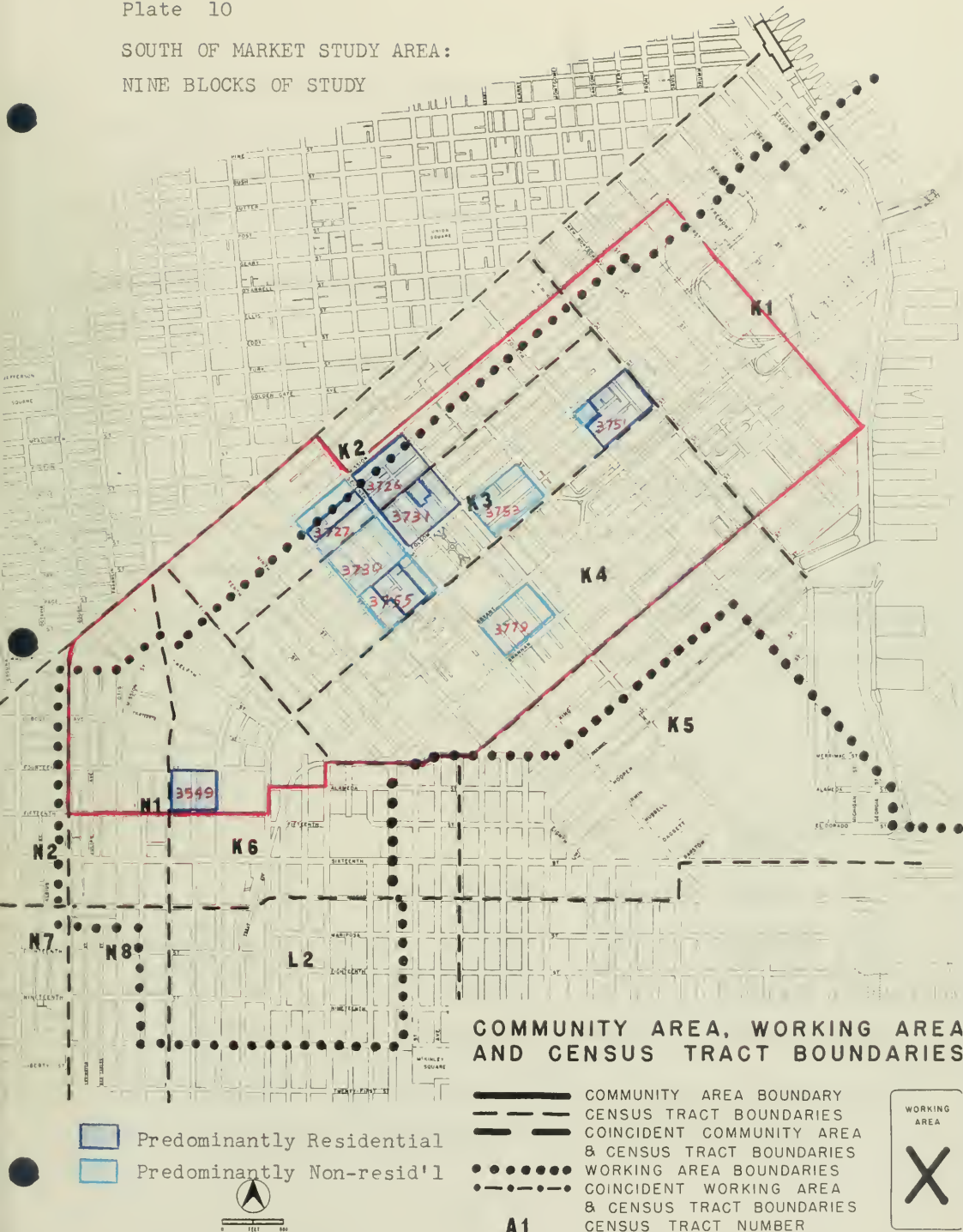
Table X

Location and Area of Nine Blocks of Special Study,
South of Market Study Area

<u>Block</u>	<u>Net Area</u>	<u>Gross Area</u>	<u>Residential</u>
	(acres)		<u>Predominance</u>
3549 So. Van Ness, 14th. Folsom, 15th.	5.9	8.3	yes
3726 Mission, 6th, Howard, 7th	8.9	13.0	yes
3727 Mission, 7th, Howard, 8th	8.9	13.0	in part
3730 Howard, 7th, Folsom, 8th	9.2	13.0	no
3731 Howard, 6th, Folsom, 7th	8.4	13.0	in part
3751 Folsom, 3rd, Harrison, 4th	8.5	13.0	in part
3753 Folsom, 5th, Harrison, 6th	8.9	13.0	no
3755 Folsom, 7th, Harrison, 8th	9.0	13.0	in part
3779 Bryant, 6th, Brannan, 7th	<u>9.1</u>	<u>13.0</u>	no
TOTALS:	76.8	112.3	

SOUTH OF MARKET STUDY AREA:

NINE BLOCKS OF STUDY



Each of the nine blocks listed above is described in detail below. Those blocks which are predominantly residential are considered first, and are taken up in order of their relative desirability as possible redevelopment project areas.

Predominantly Residential Blocks

Block 3751

This block, bounded by Folsom, Third, Harrison, and Fourth Streets, is the easternmost of those studied. As shown by Plate 11 its land use characteristics are: Hotels and rooming houses, with ground floor retail commercial uses, fronting on Third Street; modern industrial structures on Folsom Street; a concentration of blighted family residential dwellings in the block interior; and a mixture of small residential, industrial and commercial structures on Harrison Street. A tabulation of land uses by floor area follows:

Table XI

Distribution of Land Uses by Floor Area Block 3751

<u>Use</u>	<u>Entire Block</u>		<u>Block less lots 105-112</u>	
	<u>sq. ft.</u>	<u>%</u>	<u>sq. ft.</u>	<u>%</u>
Residential	329,435	49.6	329,435	55.3
Commercial	48,495	7.3	48,495	8.1
Industrial	265,825	39.8	197,950	33.2
Open vacant	<u>21,630</u>	<u>3.3</u>	<u>20,480</u>	<u>3.4</u>
TOTALS	665,385	100.0	596,360	100.0

It is thus apparant that by far the larger portion of this block is predominantly residential in character at present.

The interior streets are: Shipley, 46 feet wide but dead-ending; Clara, 40 feet wide, but constricted at each end to 25 feet in width; Ritch, 40 feet wide; Alice, 20 feet wide; and two ten-foot alleys, Eliza and Louisa. This internal street arrangement is a particularly blighting one, and has probably been the chief cause for the failure of the block to develop for industry in the past. The typical picture of mixed uses occurs in the center of the block on the narrow streets.

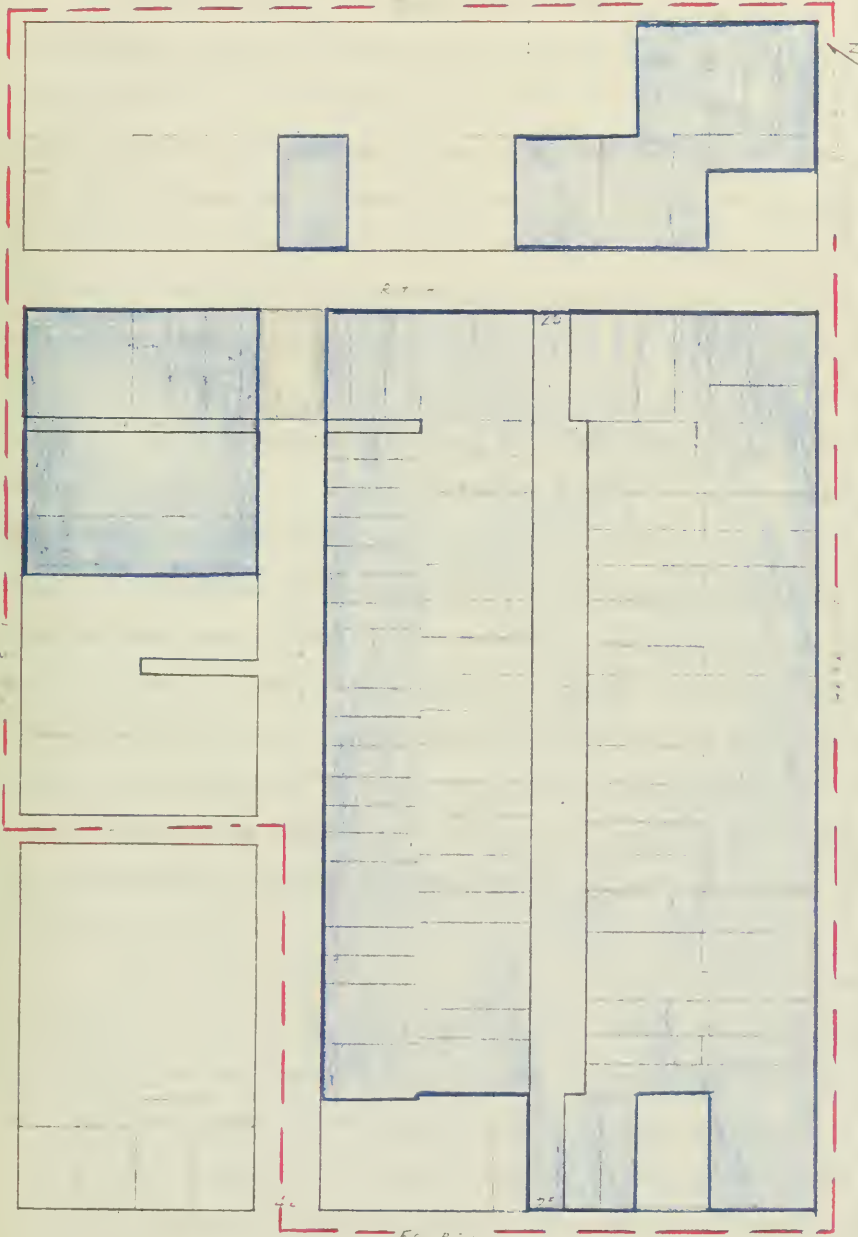
Industrial realtors regard this block as having excellent market possibilities, particularly if advantages of plottage and location are fully exploited. An earlier study of this block by the Chamber of Commerce recognized the possibilities of redevelopment.

As shown in Plate 12 the redevelopment of the entire block interior as well as Harrison and Fourth Street frontage would provide a site of such size as to be attractive to large purchasers. The block's location in relation to the Bayshore Freeway approaches on Fourth Street, the Bay Bridge, the Southern Pacific depot, and the downtown business district makes it especially attractive to intensive commercial and mercantile development and to large-scale distributing, wholesaling or trucking concerns.

The possible plan for redevelopment envisages the vacation of Clara Street and the extension of Shipley Street to eliminate the present dead-end. The amounts of land to be acquired and later resold, and estimates of acquisition cost and re-use value are as follows:

Area to be acquired: 190,000 sq. ft. (95 parcels) @ \$960,890.00

Area for resale: 208,965 sq. ft. @ \$626,895.00



L E G I N D

- Project Area boundaries
- Area acquired for resale
- Area not acquired
- Area acquired for street use

Plate 12

BLOCK 3751:
POSSIBLE REDEVELOP-
MENT PROJECT AREA

The financial problem encountered in this block, as in the others, will be in acquiring assistance in meeting the net project cost. It is possible that the re-use value of \$3.00 per square foot can be improved upon if a large purchaser ready and able to pay more is at hand. In such a case, it would be possible to materially reduce the net project cost. Further study would be necessary, of course, to determine the exact area to be redeveloped and to make more reliable appraisals of both acquisition cost and re-use value.

The subsurface structure of Block 3751 will deserve special study. The border of the old Mission Swamp passed diagonally across the block from the corner of Third and Harrison to the corner of Fourth and Folsom. That portion of the block southwest of this line is made land, largely of sand fill. Swamp materials are found in the subsoil which tend to make the ground unstable. Bedrock drops from outcroppings along Third Street to 150 feet below sea level at the corner of Fourth and Folsom. Two-thirds of the block, however, possesses bedrock at levels not lower than sea level, so that foundation problems in this block are not as severe as in other blocks in the area.

The block contains at present a total of 61 residential structures, of which at least 51 would be acquired and demolished. The others are substantial hotel structures on Third Street. During the past four years no dwellings have been demolished.

The population of this block is approximately 1175 persons, of which about 640 would be displaced by any redevelopment program

affecting the block interior but not the hotels on Third Street. Population density is approximately 348 persons per net residential acre.

In summary, block 3751 appears an excellent site for redevelopment. A predominantly residential island in an otherwise predominantly industrial area, it possesses numerous advantages of location, can provide a large integrated site for industry, probably has only minor subsidence problems, contains a very poor internal street pattern which requires improvement, and possesses a large blighted area which would be eliminated by redevelopment. On the negative side is the difficulty of financing a program of redevelopment, although chances are greater here than in practically any of the other blocks, because its attractiveness as an industrial site could produce higher re-use values.

Block 3746

This block, located between Sixth and Seventh Streets, and between Mission and Howard Streets, is characterized by a strip of hotels on Sixth Street, small jobbers and wholesalers on Mission Street, a largely residential interior, and a heterogeneous mixture of parking lots, apartment buildings, and small factories on Seventh and Howard Streets. It has an approximate population of 1350 persons of which about 950 reside in family dwellings, and a population density of 331 persons per net residential acre.

Table XII

Distribution of Land Use by Floor Area,
Block 3726

<u>Use</u>	<u>Entire Block</u>	
	<u>sq. ft.</u>	<u>% of total</u>
Residential	430,140	57.3
Commercial	179,820	23.9
Industrial	136,060	18.1
Open Vacant	<u>5,625</u>	<u>0.7</u>
TOTALS:	751,645	100.0

Residential uses predominate in this block, commercial uses are important, and industrial relatively minor. This is in keeping with the pattern of greater industrial concentration toward the south of the study area.

The internal street arrangement includes two 35-foot wide streets, Minna and Natoma, and 30-foot wide Russ Street. The picture of mixed uses so typical of the South of Market area is present in this block interior which is badly blighted and thoroughly in need of redevelopment.

Large parking lots have already developed in this block and any future redevelopment project should consider this use. Its close central location makes this block important for many types of commercial and service activities. Possible redevelopment would include only that part of the block between Minna and Howard Streets as the Mission Street frontage would be priced very high. The area which could be acquired in this block would not include Sixth Street and most of Seventh Street frontage. A total of 49 residential structures would be demolished, along with a few small industrial and commercial buildings; Russ Street would be vacated,

and Minna widened. Natoma Street would be reduced to truck access only, with no parking regulations enforced. The size of the areas which could be acquired and resold and the estimated costs are:

Area to be acquired:	172,735 sq. ft. (70 parcels) @ \$937,400.00
Area for resale:	181,960 sq. ft. @ \$564,880.00

The net project cost of possible redevelopment in this block would be high, with less possibility of increased re-use values being achieved. The block also has a very high net unit cost of redevelopment: \$2.00 per square foot of land. It is not probable that this block will prove attractive to the large industrial purchaser. The market here would include wholesalers, jobbers, distributors, certain industrial services, and public services, such as terminals, parking facilities, etc.

The greater portion of this block is located on the site of the old Mission swamp, the subsoil containing sand fill and swamp materials. However, the subsidence problem does not appear to be too great in this block. Bedrock is between 150 and 200 feet below sea level.

In summary, this block possesses advantages of location for small commercial and industrial concerns, possesses a considerable blighted residential area suitable for redevelopment, but is faced by a high net cost of redevelopment.

Block 3731

This block is bounded by Howard, Sixth, Folsom, and Seventh Streets, directly contiguous to the previous block. It is character-

ized by a small number of large hotels on Sixth Street, a scattering of substantial industrial structures, and a large number of residential buildings in the block interior. The block has an estimated population of 1060 persons and a density of 314 persons per net residential acre. Of the fifty residential structures existing in 1948 only one has since been demolished.

Table XIII

Distribution of Land Uses by Floor Area,
Block 3731

<u>Use</u>	<u>Entire Block</u>		<u>Block less lots 94,95</u>	
	<u>sq. ft.</u>	<u>%</u>	<u>sq. ft.</u>	<u>%</u>
Residential	366,530	49.3	366,530	55.4
Commercial	111,405	15.0	111,405	16.9
Industrial	227,000	30.5	144,340	21.8
Institutional	35,100	4.7	35,100	5.3
Open Vacant	3,875	0.5	3,875	0.6
TOTALS:	743,910	100.0	661,250	100.0

The predominant use of the greater portion of the block is residential. A few large, well constructed factories and warehouses made up the bulk of industrial uses, commercial uses consisting of small retailers in hotel buildings, small jobbers and distributors, and one parking lot. The Blindcraft factory at Seventh and Howard is an excellent three story structure of fireproof construction.

Three interior streets pass between Howard and Folsom Streets, one of which, Russ, is 75 feet in width. Of the others, Harriet is 45 feet wide, and Moss is partly 35 feet and partly 40 feet in width. The major streets bounding this block have been brought up to official grade, leaving the interior streets and older

structures two or three feet below this grade. If the minor streets should be brought up to official grade also, many of the structures would no longer have proper access to the street, ground floor entrances and garages would then be rendered unusable.

A net project cost of approximately \$330,000.00 would be involved in the redevelopment of approximately 5.7 acres within the block. Estimates of cost are as follows:

Area to be acquired:	217,470 sq. ft. (69 parcels)	\$1,092,630.00
Area for resale:	253,300 sq. ft.	@ 761,400.00

Possible redevelopment in this block would enable the acquisition^{and}/reparcelization of a large area between Russ and Seventh Streets, with smaller parcels between Russ and Sixth Streets. Moss Street could be vacated and Russ Street narrowed, its present width being wasteful iff off-street parking and loading is required following redevelopment. Possible redevelopment would provide good sites for both the large and small purchaser. A total of 43 residential structures would be demolished, with at least 800 persons displaced.

Block 3755

Bounded by Folsom, Seventh, Harrison, and Eighth Streets, this block possess the worst internal street pattern of the nine studied, and, consequently, has a particularly deteriorated appearance. Known as the "laundry block" because of the location of a number of large commercial laundries on sites containing abundant well water, this block is sharply divided into two areas: one, of large, substantial industrial buildings; the other, of badly blighted residential structures.

Table XIV
Distribution of Land Uses by Floor Area,
Block 3755

Use	<u>Entire Block</u>		<u>Partial Block*</u>	
	<u>sq. ft.</u>	<u>%</u>	<u>sq. ft.</u>	<u>%</u>
Residential	162,185	27.5	147,970	69.3
Commercial	12,150	2.1	7,350	3.4
Industrial	408,000	69.0	58,550	27.3
Public	8,500	1.4	-	
TOTALS:	590,835	100.0	213,870	100.0

*Note: Consists of all property fronting on west side of Langton Street, all property fronting on east side of Rodgers Street, all property fronting on both sides of Hallam and Brush Place, and all property fronting on Folsom Street between Rodgers and Langton Streets.

This block, when considered as a whole, is clearly industrial in character. It is possible, however, to separate that part which contains a high concentration of residential uses and treat it as a possible area for redevelopment, if considered as part of a larger area which contains at least one square minor block. Such would be possible if a minor block in block 3730, directly to the north, was united with this partial block to form a possible project area.

The present internal street arrangement is severely detrimental to the future industrial development of the block unless redevelopment occurs. Langton Street, 35 feet wide, runs between Folsom and Harrison Street, and is almost completely residential on its west side and industrial on the east. Hallam Street and its arm, Brush Place, both dead-end and are lined with run-down dwellings and small machine shops, Rodgers Street, but 30 feet wide, also dead end

while the other minor streets in the block are in the industrial portion, not affected by redevelopment.

Redevelopment of the residential portion of this block would remove an extremely blighted area, and, by improving internal circulation, provide good sites for industrial development. The predominantly industrial character of this block, especially the substantial laundry buildings, would ensure good neighbors for new industries -- factories and warehouses. The large block of land which could be acquired and cleared would provide excellent sites for medium-sized factories and warehouses close to large well maintained industrial neighbors. This block contains a fire station of fire-proof construction built in 1912.

Approximately 500 persons reside in the block, which has a density of 275 persons per net residential acre. If the residential portion of the block were to be redeveloped 33 residential structures would be demolished. A financial analysis of redevelopment in this block indicates a high net project cost (\$2.30 per square foot) due to the cost of purchasing improvements even though severely blighted in a block where no vacant lots exist.

Area to be acquired:	116,230 sq. ft. (45 parcels)	@ \$597,660.00
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Area for resale:	111,380 sq. ft.	@ \$334,140.00
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Although both Hallem Street and Brush Place should be vacated the widening of other streets and the introduction of a new street necessitate the reduction in the amount of area suitable for reuse which reduces the income to be derived from the resale of land in this block.

The old Mission swamp did not extend over this block, so no fill materials are found in the subsoil. Various types of sand and clay, some unstable, form the subsoil, with water found in layers of fine sand or gravel at depths below 100 feet. Bedrock in this area is found at 200 feet below sea level.

In summary, redevelopment of a portion of this block would remove a badly blighted area, which, due to a particularly inefficient street pattern, cannot develop properly for industry. Except for this pocket of blight the remainder of the block has already experienced considerable industrial development of a substantial nature. The block possesses locational advantages and does not have major subsidence problems. Once again, the difficulty in projecting redevelopment is the high net project cost,

Block 3727

This block adjoins Block 3726 on the west and is bounded by Mission, Seventh, Howard, and Eighth Streets. It is trisected laterally by Minna and Natoma Streets, both 35 feet in width, and the residential nucleus is found between these two streets. Small commercial concerns front upon Mission Street, while small industrial factories and warehouses front upon Howard Street and on Seventh and Eighth Streets south of Minna Street. This is generally an area of wholesalers, distributors, warehouses, and various types of service activities. The major streets have been brought up to official grade, leaving the interior streets below this grade.

Table XV

Distribution of Land Uses by Floor Area,
Block 3727

<u>Use</u>	<u>Entire Block</u>		<u>Minor Block*</u>	
	<u>sq. ft.</u>	<u>%</u>	<u>sq. ft.</u>	<u>%</u>
Residential	197,200	28.5	113,320	53.1
Commercial	113,330	16.3	11,480	5.3
Industrial	314,140	45.3	79,740	37.1
Utilities	27,800	4.0	-	-
Institutional	8,500	1.2	-	-
Under Construction	10,000?	1.4	-	-
Open Vacant	23,075	3.3	9,600	4.5
TOTALS:	694,045	100.0	214,140	100.0

*Note: Bounded by Minna, Seventh, Natoma, and Eighth Streets.

Only the central minor block is predominantly residential, to which can be added residential frontages on the south side of Natoma Street. Within this area there are about 580 residents. Population density is 294 persons per net residential acre. Possible redevelopment of this portion of the block would follow the plan described for block 3726. Minna Street would be widened and Natoma restricted to truck access, only. This would allow the large number of industrial concerns now located on Howard Street to expand to the rear toward Natoma Street and take their deliveries from this street. The excellent central location of this block would be conducive to the locating of wholesalers, distributors, warehouses, and small industrial concerns. Because of the need for off-street parking facilities in this general area, the provision of such public facilities should be considered in any future redevelopment project.

The areas available for acquisition and resale and the related finances are:

Area to be acquired: 115,810 sq.ft. (52 parcels) @ \$558,605.00

Area for resale: 117,950 sq. ft. @ \$353,850.00

The net cost of such a project would be high although less than most of the others, and it is highly unlikely that more than \$3.00 per square foot would be received for cleared land in this block, as none of the new parcels would front upon Howard, Eighth, or Mission Streets.

Only a small portion of the southwestern corner of the block is upon made ground, although the entire block contains swamp materials in its subsoil composition. Bedrock is from 150 to 200 feet below sea level.

In summary, this block would not make a good initial redevelopment project, unless combined with a major public improvement, such as a large parking facility. The areas suitable for redevelopment are too confined within the block to be attractive as a premium site.

Block 3549

This block, the last to be considered which is predominantly residential, is bounded by South Van Ness Avenue, Fourteenth, Folsom, and Fifteenth Streets, on the southwestern border of the study area. The block is in the transitional zone between the Mission community and the industrial areas of the South of Market area. It is surrounded on two sides by primarily industrial blocks, and on the other two by mixed residential, commercial, and industrial blocks. With the

construction of the Mission Freeway it will be effectively cut off from Mission Street and the residential areas west of that street. The entire block is predominantly residential by floor area. It contains one large modern industrial plant of 39,000 square feet of ground area which manufactures machinery, but the remainder of the structures are small, whether two or three story flats, or auto repair and machine shops. The smallest block studied, it has about 400 residents and a total of 47 residential structures which would be demolished in any future redevelopment project. Four such buildings have been removed since 1948.

Table XVI

Distribution of Land Uses by Floor Area
Block 3549

<u>Use</u>	<u>Entire Block</u>	
	<u>Sq. ft.</u>	<u>%</u>
Residential	200,230	53.9
Commercial	13,985	3.8
Industrial	152,170	40.9
Open Vacant	5,255	1.4
	<hr/>	<hr/>
TOTALS:	371,640	100.0

The block is bisected by Shotwell Street, 60-feet wide, which is largely residential on its western frontage and industrial on its eastern. Because lot size is larger in this block (25 x 120 ft.) residential building coverage is substantially less than the 85% found in other blocks. Although certain blighting factors are less severe, the major one which pervades the entire South of Market are -- mixture of incompatible uses -- is to be found, and has greatly reduced the ability of the block to remain a suitable residential area.

Possible redevelopment would produce large areas for industry in both of the minor blocks. Large purchasers would probably be interested in this block, as they have been in other sites in the vicinity. The existence of an excellent industrial building in the block already and of others on Folsom Street are conducive to attracting industrial concerns, as is the fine central location, fairly close to the Bayshore Freeway ramps, to the central part of the city, and to the residential areas of the Mission community. If required, it would probably be possible to extend a railroad spur track across Folsom Street on Fifteenth Street.

The preliminary estimates of acquisition cost and re-use value in a possible redevelopment project are:

Area to be acquired	184,465 sq. ft. (58 parcels)	@ \$900,630.00
Area for resale:	184,465 sq. ft.	@ \$553,395.00

Although a high net project cost is encountered here there are possibilities of interesting a large industrial buyer. Unfortunately, however, this block may possess severe subsidence problems. It is in the area covered by the old Mission swamp and is on made ground. Under the fill exist swamp materials including unstable clays. Bedrock is between 100 and 150 feet below sea level.

In summary, this block seems to be favorable for redevelopment from a market standpoint. The degree of blight is not as great as in other blocks, however, and greater study should be made of the subsidence problem.

Predominantly Non-Residential Blocks

The following blocks are not predominantly residential in character but are important either because they possess severe conditions of blight or are especially good sites for industry.

Block 3779

This block, bounded by Bryant, Sixth, Brannan, and Seventh Streets, is in the primarily industrial southern portion of the South of Market area. It is penetrated by two Western Pacific spur tracks on Gilbert and Harriet Streets, largely unused now because of the mixed usage of the land and because of the insufficiency of off-street parking space. The block possesses large warehouses and factories on Sixth Street, smaller ones on Bryant and Brannan Streets with scrap metal, lumber and other storage yards found throughout the block. Residential structures are largely in the northern portion of the block mixed with small metal shops and sheds. The dwellings are in extremely poor condition, and the especially incompatible nature of the industrial activities makes this a particularly undesirable living environment. Eight residential structures have been demolished since 1948, a greater number than in the other eight blocks studied. The block has a population of about 300 persons. There are 41 residential structures in the block.

Table XVII

Distribution of Land Uses by Floor Area,*
Block 3779

<u>Use</u>	<u>Entire Block</u> <u>sq. ft.</u>	<u>%</u>
Residential	154,410	29.4
Commercial	4,250	0.8
Industrial	351,965	66.8
Open Vacant	16,150	3.0
	<hr/>	<hr/>
TOTALS:	526,775	100.0

*Note: In this instance, area allotted on basis of predominant use of structure.

Taken as a whole, the block is far from being predominantly residential even under the most favorable conditions. Yet, one of the minor blocks possesses over 45% residential use by floor area. Three streets divide the block into four minor blocks -- Gilbert, Boardman, and Harriet, all of which are 35-feet in width. The narrowness of these streets is one reason why industrial development has been hampered. It would appear, that with a proper internal street arrangement, including a more efficient use of the spur tracks, this block could be developed fully for industrial use. Except for a number of substantial structures on Sixth Street, and perhaps a few others on Bryant and Brannan Streets, the entire block could be redeveloped, and sold as prime industrial land to large purchasers. A possible street rearrangement could include the widening of Boardman Street in the center of the block, and the reduction of Gilbert and Harriet Streets to railroad rights-of-way. This would remove the spur lines from existing streets and bring about their more effective use.

Preliminary estimates of acquisition cost and re-use value of such a possible redevelopment project are:

Area to be acquired: 318,020 sq. ft. (84 parcels) @ \$1,340,620.00

Area for resale: 336,815 sq. ft. @ \$1,010,445.00

Income from the sale of cleared land at \$3.00 per square foot would amount to 78 per cent of the cost of acquiring the land and buildings. This is the highest return of any of the nine blocks studied. The net cost per square foot of land is but \$0.99. It is highly possible that a higher re-use value could be realized in this block also, as the cleared land would furnish large industrial sites with excellent locational advantages.

Foundation costs in this block would probably be high, as the subsoil composition includes unstable marine clays in addition to swamp materials. It is not in the area of sand fill, however, bedrock is approximately 200 feet below sea level.

In summary, market considerations and the desirability of removing badly blighted areas point to this block as very well suited for redevelopment. As it is not predominantly residential, however, the financing would require local outlays. In view of the great demand for vacant industrial land in San Francisco and the increasingly small supply the redevelopment of this block would provide nearly eight acres of excellent industrial sites. City investment would be returned in the form of increased tax returns.

Block 3730

Bounded by Howard, Seventh, Folsom and Eighth Streets, this block is predominantly industrial but is adjacent to three blocks which contain portions which are predominantly residential. Therefore, certain parts of this block could be combined with these in a future redevelopment project and meet the predominantly residential qualification.

Table XVIII
Distribution of Land Uses by Floor Area,
Block 3730

<u>Use</u>	<u>Entire Block</u>	
	<u>sq. ft.</u>	<u>%</u>
Residential	188,335	30.4
Commercial	37,330	6.0
Industrial	380,795	61.7
Open Vacant	11,890	1.9
	<hr/>	<hr/>
TOTALS:	618,390	100.0

The block has an approximate population of 625 persons, and 38 blighted residential structures. Population density is 294 persons per net residential acre. The industrial buildings are from small to medium size, front upon the major streets and are scattered in the block interior. Eight dwellings have been demolished since 1948, indicating a slow removal of residential use. The interior streets are Langton, 35 feet wide; Rausch, 51 feet wide; Clementina, 35 feet in width; and Sumner, but 21½ feet wide. The typical pattern of mixed use in the block interior is manifestly present in this block.

Possible redevelopment in this block would not provide large prime industrial sites because of the presence of considerable existing industry. Instead many medium-sized sites could be provided, and the street pattern improved. Langton Street could be restricted to truck access for properties fronting on Seventh Street and on Rausch Street. The same could be done with Sumner Street to furnish a more workable pattern for circulation than exists now. Off-street parking and loading would be provided, as in all cases of redevelopment in this area.

Estimated acquisition cost and re-use value in possible redevelopment project would be:

Area to be acquired:	166,995 sq. ft. (61 parcels) @ \$730,510.00
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Area for resale:	166,020 sq. ft.	@ \$498,060.00
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Once again, a high net project cost, with little chance of obtaining an increased re-use value in this case. The central location would appeal to small types of industry.

This Block is largely sand fill, due to its location upon the site of the old Mission swamp. The subsoil includes sand and clays typical of swampy origins. Bedrock is from 200 to 250 feet below sea level.

In summary, this block, predominantly industrial, should be redeveloped only in conjunction with a neighboring block so that the predominantly residential qualification can be met. In any case, this block would not produce high re-use values, although it is a good one from market considerations for small concerns.

Block 3753

The last block to be considered, it is bounded by Folsom, Fifth, Harrison, and Sixth Streets. This is an extremely retarded block, probably because of subsidence problems. It is characterized by excessive mixture of uses, without the saving grace of residential concentration in clusters or large groups in block interiors. Probably the worst housing of the nine blocks studied is found in this block. There is a great amount of open use in the block -- contractor's yards, pipe storage yards, and a variety of other types of open storage. There are about 530 persons living in this dreary block, and 41 residential structures could be removed in any possible redevelopment project. Population density is 240 persons per net residential acre.

Table XIX

Distribution of Land Uses by Floor Area,*
Block 3753

<u>Use</u>	<u>Entire Block</u>	
	<u>sq. ft.</u>	<u>%</u>
Residential	195,760	34.7
Commercial	39,835	7.0
Industrial	306,560	54.3
Open Vacant	22,725	4.0
 TOTALS:	 564,880	 100.0

The block is obviously not predominantly residential. Existing industrial development consists of small factories, warehouses and shops, with a large per cent of open storage facilities.

This block has a serious subsidence problem. Not only is it located on the site of Mission swamp, but its subsoil composition indicates soft clays and peat typical of swamp origin. Superimposed on these is sand fill. Bedrock is over 200 feet below sea level. Shipley and Clara Streets, the two principal interior streets, have been recently raised to official grade, and are now several feet above the general ground level. As a consequence of this several entrances to structures have been obstructed and first floor living quarters placed well below street level, thus creating a further blighting condition. Nevertheless, only one dwelling has been demolished since 1948.

Preliminary estimates of acquisition cost and re-use value in this block do not include any changes in the present street pattern.

Area to be acquired: 234,025 sq. ft. (80 parcels) @ \$880,370.00

Area to be resold: 234,025 sq. ft. @ \$702,075.00

Redevelopment of this block could be accomplished at the lowest net cost: \$0.77 per square foot of land. The problem of subsidence, however, is such as to require further study, including its effect upon foundation costs. It is possible that this block could be best developed for open industrial uses, as has already occurred to some extent.

SUMMARY

Redevelopment of the South of Market areas as a policy of public betterment is desirable and necessary. However, at present only a very few blocks can be considered in such a project from the point of view of financial feasibility. The actual selection of blocks will depend upon particular market conditions which will be most successful in producing purchasers able and willing to pay premium prices for industrial land. City financial involvement, in the form of capital grant, will be required in practically every case, however. Of those blocks which can qualify for federal loan funds 3751 and 3726 appear to have the most chance of being financially successful. On the other hand, block 3779 could produce probably the best sites and at the same time remove some of the worst blight. Net unit costs per square foot of land are low for this block so that the most good would be gained at least cost if city funds were to be employed. Table XX indicates the net cost of redevelopment in each of the nine blocks.

TABLE XX

Estimated Net Cost of Redevelopment,
Nine Blocks, South of Market Area

<u>Block</u>	<u>Area for Resale (sq. ft.)</u>	<u>Net Project Cost</u>	<u>Net Cost per sq. ft.</u>	<u>Predom. Res'd'l.</u>
3549	184,465	\$347,245.00	\$1.87	yes
3726	181,960	372,520.00	2.05	yes
3727	117,950	204,755.00	1.90	in part
3730	166,020	241,450.00	1.45	no
3731	253,800	332,230.00	1.31	in part
3751	208,965	333,995.00	1.60	in part
3753	234,025	178,295.00	.76	no
3755	111,380	263,540.00	2.36	in part
3779	336,315	330,175.00	.98	no
TOTAL:	1,795,380	\$2,595,195.00	\$1.44	

Redevelopment of one, or all, of the three blocks mentioned above would make an excellent beginning in the program of slum clearance and industrial redevelopment for the South of Market area. Success in these blocks could stimulate future redevelopment projects in the other blocks as well as private efforts in that direction.

City investment in redevelopment in the South of Market area can bring social and economic improvement to the life of the city. Increased job opportunities and payrolls will enhance its economic life, while the return to the city in the form of additional tax returns will repay the original investment within a reasonable period of time.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Several broad general conclusions can be stated regarding the desirability and feasibility of redevelopment in the South of Market area.

1) The South of Market area ranks as one of the most severely blighted areas in the city. The indiscriminate mixture of residential and incompatible commercial and industrial uses, characteristic of the area since its first settlement, is the primary cause of blight and has led to the development of a majority of those environmental deficiencies referred to in the California Community Redevelopment Law as defining blight.

2) The proper physical, economic and social development of the city requires the redevelopment of selected portions of the South of Market area. The elimination of severely deteriorated residential areas, and the providing of suitable industrial and commercial sites are the prime reasons for redevelopment in the area. New industries mean more job opportunities, greater payrolls, increased income for the city in the form of additional tax revenues. On the other hand, perpetuation of blight means continuation of an especially detrimental living environment, economically wasteful and socially undesirable.

3) Improvement of the area by private means alone has not proved successful. The block pattern of many small lots of diverse and scattered ownership has made the accumulation of properties to form suitable parcels for large-scale industrial or commercial development difficult and costly. The need for invoking the

provisions of the California Community Redevelopment Law is apparent, permitting the local Redevelopment Agency to acquire and clear blighted land, reparcel and resell it to private developers primarily for industrial and commercial purposes.

4) The redevelopment process (as a policy of public betterment) can be employed in the South of Market area with certain reservations. Only in those blocks which are predominantly residential in character can federal financing be obtained, thus preventing some of the more badly blighted blocks from obtaining such assistance. In any case, federal grant funds cannot be used to help cover net redevelopment project costs in this area, thus requiring local financial participation.

5) The possible means of financing redevelopment in the South of Market area are: a) a federal loan to cover gross costs (costs of acquisition and clearance) in predominantly residential areas, and a city appropriation to cover net project costs; b) a federal loan without city participation, in the event that, upon the payment of premium prices, the revenues from the sale of land would equal the gross project costs; c) a redevelopment bond issue by the local agency to cover gross project costs in predominantly non-residential areas, with a municipal appropriation to cover the net project cost; and d) the issuing of local redevelopment bonds without the need of other city assistance if the proceeds of sale to a large purchaser is sufficient to meet all costs. In addition, it may be possible to provide long term lease arrangements, including the option of eventual purchase.

6) The initial phase of redevelopment should be limited to those few blocks in the area which possess these qualifications: a) a high degree of marketability, being attractive to large industrial or commercial purchasers willing to pay premium prices for suitable sites; b) a relatively low net cost per square foot of land; c) a relatively low total net project cost; and d) minor subsidence and foundation problems. The three blocks which best qualify are 3751, 3779 and 3726 (see Plate 10).

Recommendations

On the basis of the findings of this study the next steps in the program of redevelopment in the South of Market area are suggested:

1) The designation of a redevelopment area of approximately 20 or 25 blocks, including those blocks recommended in this study as most feasible for redevelopment, to be followed by the preparation of preliminary and tentative plans. The final stages should await the propitious moment when the most advantageous financial arrangements can be made.

2) Coincident with the above action additional studies should be undertaken to investigate further possible methods of financing, including the use of lease procedures.

3) Close cooperation with industrial realtors and developers and with Chamber of Commerce representatives will be required in assuring the financial success of future redevelopment projects.

4) Public support of redevelopment in the South of Market area as an integral part of the overall redevelopment program should be solicited in order to secure city financial participation.

5) As a means of implementing the redevelopment program for the entire area a program of enforcement of health and safety regulations by the Department of Public Health should be undertaken.

